

U.S. Links 1989 Dues To Further UN Changes

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — The Reagan administration has told Secretary-General Javier Pérez de Cuéllar that it plans to continue withholding part of its UN dues this year until a key committee approves a new austerity budget and other administrative changes, American and UN officials said.

As a result, UN officials warned Friday, the organization may face a new cash crisis later this year, particularly if it is called upon for new peacekeeping operations.

Last month President Ronald Reagan ordered the payment of \$44 million in outstanding U.S. dues owed for the 1988 fiscal year, which ended Sept. 30, saying that he was satisfied that the United Nations was making good progress toward carrying out an agreed program of administrative changes.

Congress had made the release of

this money conditional on such a presidential finding.

At that time, the White House said in a statement that the president expected to be able to make a similar determination releasing \$144 million more owed for the 1989 fiscal year when the money became available for payment Oct. 1, at the start of the new fiscal year.

The White House also ordered the State Department to work out a multiyear plan for paying \$520 million in past debts owed the United Nations and its specialized agencies, such as the World Health Organization and the International Atomic Energy Agency.

The Reagan administration handed the United Nations a check Friday for \$85.6 million, representing that part of the \$144 million Congress has appropriated for the organization in the current fiscal year.

The remaining \$59 million is the money that will be withheld until the administration sees the result of the committee's work and documented evidence that the United States is continuing to carry out budgetary and administrative changes.

Although the Congress appropriated \$144 million for the UN headquarters in New York in this fiscal year and last, the money represents only about two-thirds of the about \$212 million the United States is committed to pay the United Nations each year under terms of the UN Charter.

At 20, Club of Rome Sees a New Start

The Club of Rome, the international group concerned with world problems and the future of humanity, attracted widespread attention in the 1970s with its report, The Limits to Growth, which warned of the dangers of uncontrolled economic expansion. Now celebrating its 20th anniversary, the club hopes to reinvigorate its activities at a conference in Paris next week. Reginald Dale of the International Herald Tribune talked to Alexander King, the club's president.

Q. Why does the club need to be re-launched?
A. We've come to the limits of what we can do with our rather amateur approach with no structure and no paid secretariat. We feel that the need for a body of politically independent individuals from all over the world who are concerned with the future is greater than ever and the possibilities for useful action are greater. We've got to streamline our approach and become more professional. We've got to obtain more resources so that we can extend our work. But the basic spirit will remain.

Q. What are the club's basic objectives?
A. The objectives are to look with a long-term perspective at the basic problems facing human society, the interconnection between them and the need to tackle them all simultaneously.

Q. Apart from the overall problem of war and peace, the biggest problem at the moment is the increase in the world population and its effects on the environment, a situation of enormous political dangers.
A. There is a close interrelationship between the problems of population, the environment,

energy use, migration and the rise of the sea level from the greenhouse effect, which could, for example, make Bangladesh disappear.

Q. What will happen if these problems are not solved?
A. Nearly all these problems are to a major extent solvable. If they are not solved there could be a menace to the whole human condition, a return to a kind of barbarism, a general collapse. But there is no need for it to happen.

MONDAY Q&A

Q. Are the problems worse than when you founded the club 20 years ago?
A. The problems, I think, have changed to some extent but the very basic situation is similar. One good aspect is that there is much more public awareness of the problems and I think our work has contributed to that.

The big changes have been the worsening of the nuclear menace, and then recently some appeasement of that, and secondary recognition of the consequences of the world population explosion, which means for the first time human activity is beginning to influence the total world climate and environment in a way which could be irreversible, and could be as dangerous in the end as a nuclear holocaust.

Q. You said recently that human activity has multiplied by between 20 and 40 times in your lifetime. What do you mean by that?
A. When I was born at the beginning of this century, the world had about 1.8 billion people and we're now approaching 6 billion people.

But beyond that the level of prosperity, the level of affluence has increased tremendous-

ly, and we're all, particularly in the industrialized countries, consuming more, demanding more energy, more food, better food, and using more sophisticated chemicals.

Q. Now if you combine the greater number of people and the increased demands per capita, it suggests that the total of human activity and therefore the total effect on the planet has multiplied by 20 to 40 times.

Q. What other new problems are you looking at?
A. One of the central problems we're facing now is the endemic unemployment that started at the time of the first oil crisis in the early 1970s and, we think, was greatly increased by automation and the new technologies — not necessarily directly, but in the sense, for example, of jobs being lost in Europe and the United States and created in Japan through international competition.

Q. And that was also mentioned by Soviet leader Mikhail S. Gorbachev, whom you saw recently?
A. Yes, this struck me as extraordinary because in principle in the Marxist countries there can be no unemployment. The unemployment is absorbed by diluting the work in the individual enterprises. Gorbachev said to me one of the problems the Club of Rome ought to be facing is how to solve endemic unemployment in a human way.

Later on, in Warsaw, [the Polish leader] Wojciech Jaruzelski explained that of course they have unemployment, but it's within the individual enterprises. In fact it may be an important ingredient of difficulties in Eastern economies because the people with insufficient work to do are milling about on the shop floors getting in everyone else's way and making productivity and efficiency increases well nigh impossible.

WORLD BRIEFS

EC Ministers Bar Talks With Arafat

IOANNINA, Greece (Reuters) — European Community foreign ministers, trying to forge a common response to the prospect of a self-proclaimed Palestinian nation, agreed Sunday that the time was not right for a meeting with Yasser Arafat, chairman of the Palestine Liberation Organization.

"We are certainly ready to face up to a new political situation which could be created," the Greek foreign minister, Karolos Papoulias, said at a news conference. But clear differences emerged over how enthusiastically the community's response should be to an independent state.

The EC has called for the PLO to be associated with Middle East peace talks, but many of its members refuse to deal with Mr. Arafat until the PLO renounces the use of violence against Israel and accepts its right to exist.

Salvador Death Squad Said to Kill 4

APOPA, El Salvador (Reuters) — Uniformed men calling themselves members of a Salvadoran Army unit ordered four people from their homes on Friday night and shot and killed them, relatives said Saturday.

They said the men identified themselves as members of the First Brigade, whose commander was transferred earlier this year after peasants were tortured, slain and mutilated at a notorious death-squad dumping ground.

The four victims' homes are in a working-class suburb of Apopa, 13 kilometers (11 miles) north of San Salvador. Their bodies, all shot in the head and with hands bound, were found under a tree near a soccer field.

Vatican Announces Record Deficit

VATICAN CITY (Reuters) — The Vatican had a record budget deficit last year of \$63.8 million, officials announced as they appealed to Roman Catholics throughout the world to increase their contributions.

The shortfall, announced Saturday, was the largest since the Vatican began releasing financial figures in the early 1980s. The deficit is expected to increase this year to about \$66 million, according to a special commission of cardinals appointed to oversee church finances. The 1986 deficit was \$56.7 million.

The budget covers the church's central administration, including its departments of social, religious and diplomatic affairs, as well as its daily newspaper and radio station.

Jackson Program Settles U.S. Claim

WASHINGTON (NYT) — The educational program (formerly headed by the Reverend Jesse L. Jackson) has agreed to pay \$550,000 to the government to settle longstanding civil claims that the group had not lived up to the terms of several grants and contracts awarded in the late 1970s and early 1980s.

The settlement by the program, Push for Excellence Inc., or Push-Excel, represents about half of the more than \$1.1 million the Justice Department was seeking on behalf of the Education Department and the Labor Department.

The dispute involved money from government grants that Push-Excel misused or could not adequately account for, according to Diane Weinstein, assistant general counsel to the Education Department. The mispending included consultants' fees, home telephone costs and travel unrelated to the grant, she said.

2 U.S. Advisers Killed, Kabul Asserts

ISLAMABAD, Pakistan (Reuters) — Afghanistan said on Sunday that its troops had killed two U.S. and two Pakistani advisers helping Afghan rebels.

The state Kabul Radio said the four military advisers were among 35 people killed by security forces on Saturday in the Gardes area of the eastern province of Paktia.

The radio, monitored in Islamabad, described those killed as "extremists," a term Kabul uses to describe Moslem guerrillas fighting the Soviet-backed government. The United States and Pakistan have denied allegations by the Afghan authorities that their advisers are aiding rebels.

For the Record

The crash of a coal train and a train carrying explosives in Sverdlovsk, Siberia, on Oct. 4 injured 1,021 people and devastated the city, the Soviet news agency Tass reported Sunday. An explosion after the crash started a fire that burned for six hours and damaged 642 apartment buildings, Tass said. The agency had initially reported that four persons had been killed and 280 injured. (UPI)

More than 100 earth tremors shook São Miguel Island in the Azores on Sunday, damaging houses in four small towns, officials said. There were no reports of injuries. (AP)

An overloaded ferry boat sank Friday in heavy seas in the central Philippines, and at least 55 people drowned, the Coast Guard reported Saturday. The ferry, the Balangiga, was sailing from the Samar island port of Giporlos to Tacloban on Leyte island. (AP)

Five Indian soldiers died Saturday when their vehicle hit a mine planted by Tamil rebels in eastern Sri Lanka, the police said Sunday. (Reuters)

An American, Leo Mills, 63, was killed Friday by a gunman in Tegucigalpa, Honduras, the police said Saturday. An anonymous caller said a leftist group was responsible. Mr. Mills, who had lived in Honduras 26 years and was originally from Woodward, Oklahoma, was shot in the head with a pistol by a man who was walking behind him on a street. (AP)

TRAVEL UPDATE

French Transport Workers to Strike

PARIS (AFP) — Strikes on public transport in Paris and its suburbs and in provincial cities are expected throughout the week. Work stoppages are expected on the Métro system, the RER high-speed suburban rail network and the bus service in Paris, as well as on urban transit systems in provincial cities.

French rail unions say they will strike from 8 P.M. Monday to 6 A.M. Wednesday, and from Wednesday night to Saturday morning, though it is not certain how widely the strike calls will be followed. The strikes are part of pressure on the government to raise wages and benefits. Workers on the RER refused to operate some trains for two days last week.

A 48-hour rail strike in Italy was averted Sunday when Transport Minister Giorgio Santuz used a wartime measure to order 5,000 engineers to work. He said the order would provide for the operation of 1,200 of the 6,000 trains scheduled to run during the strike period. Most are long-distance national and international services. (Reuters)

British Airways has introduced miniature TV sets in coach class on a Boeing 747 flying its London-New York service. The system will be extended if the four-month trial proves successful. (AP)

Switzerland will not raise weight limits for trucks crossing the country, Transport Minister Adolf Ogi said in Athens. Switzerland has come under criticism from the EC for setting weight limits for trucks at 28 tons, when other transit countries — West Germany, Italy, Austria and Yugoslavia — allow trucks to carry 40 tons of freight. (AP)

The airport in the Nigeria town of Port Harcourt will be closed until further notice because of damage caused when a Nigeria Airways Boeing 737 landed there, an airline spokesman said Sunday. The plane, carrying 132 people, lost both engines and hit the landing strip's lighting system when it skidded on landing. (AFP)

The Soviet Union has told India it is ready to build a subway system in New Delhi for a total cost of \$770 million, the rail minister, Madhav Rao Scindia, said Saturday. (AFP)

Air Seychelles plans to open a route to Paris and Athens at the end of the year, the official press agency SAP said Sunday. The agency said the line had also bought a Boeing 767 and might buy an Airbus A-340. (AFP)

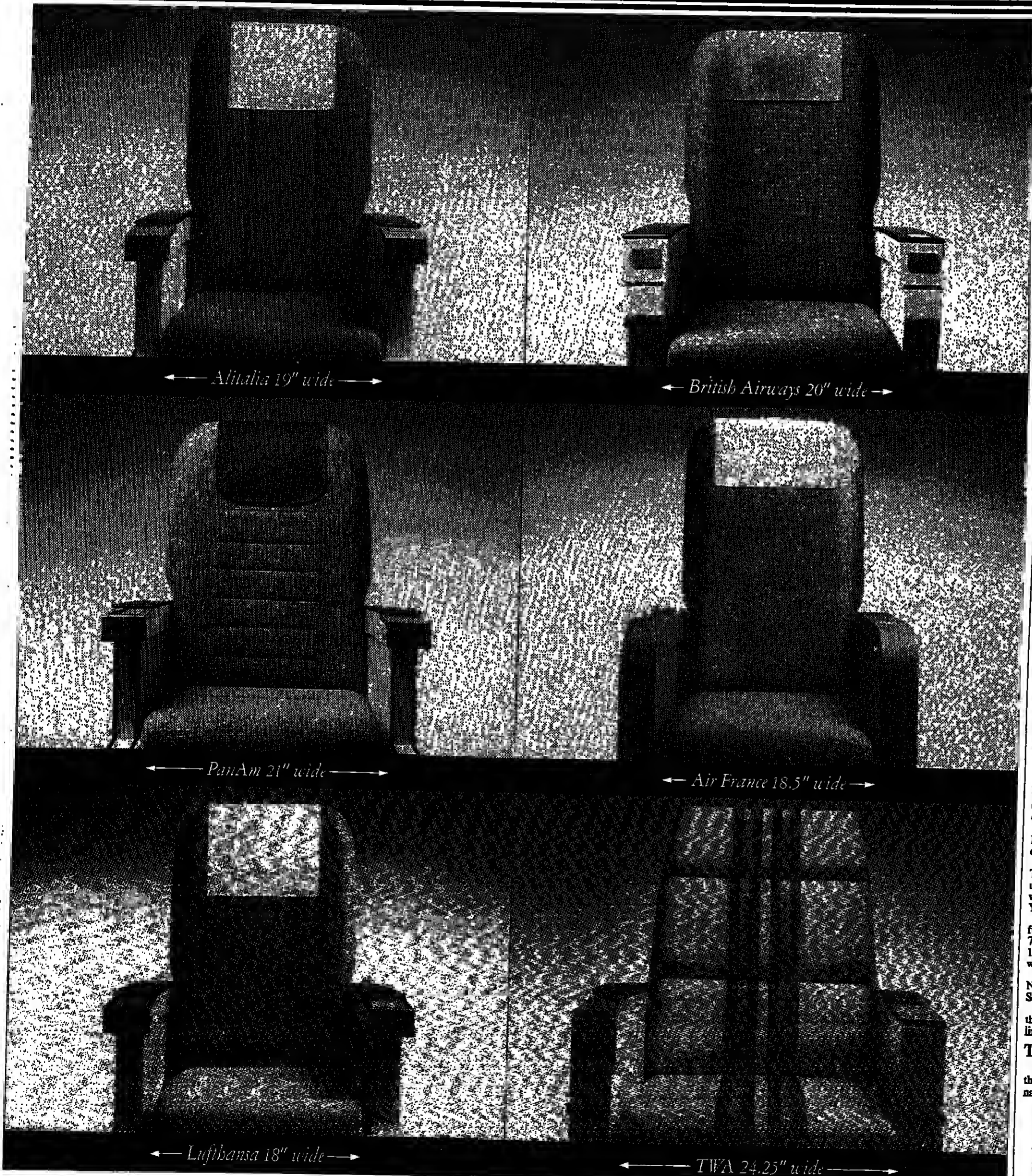
This Week's Holidays

- Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:
- MONDAY: Haiti, Jamaica, Malawi.
 - TUESDAY: India.
 - WEDNESDAY: Hong Kong, Macao.
 - THURSDAY: Guatemala, Kenya.
 - FRIDAY: Honduras, India, Somalia.
 - SATURDAY: Bahrain, Iraq, Lebanon, Somalia, United Arab Emirates, Vatican City.
 - SUNDAY: Kuwait, Malaysia.
- Source: Morgan Guaranty Trust Co., Reuters.*

George Bush may become the first president in U.S. history to win as a write-in candidate.

If you are an overseas voter and have correctly applied for, but not yet received your State Absentee Ballot, you have another option. Republicans Abroad is making special "Write-In" Ballots available to qualified voters who fear their absentee ballot may not make it to the States by the election, November 8. These "Write-In" Ballots are available through the U.S. Embassy, Consulate or Republicans Abroad Office in your "home" country. Cast your vote for George Bush today and help make history.

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ern Bar Talks With Arab... (Reuters) — European Community...

Death Squad Said to Kill... (Reuters) — Uniformed men calling...

announces Record Deficit... (Reuters) — The Vatican had a record...

rogram Settles U.S. Claim... (AP) — The educational program...

Users Killed, Kabul Ass... (Reuters) — A militant leader...

AMERICAN TOPICS

California to Provide Water for Wildlife... Over the next three months...

Notes About People... Tom Clancy has settled a quarrel...

Short Takes... Lower Manhattan has a new nightclub...

Record numbers of Illinois citizens have been getting married...

Travel Update... Transport Workers to Strike

...may become the first woman to be elected in U.S. history



Running Mates Say It With Their Hands... Senator Dan Quayle, the Republican vice presidential candidate...

Bush's Camp, Sensing Opportunity, Turns to Helping Other Republicans

By E.J. Dionne Jr. With Mr. Bush's lead in the polls lengthening, the campaign is coming under pressure from other Republican candidates...

AMERICAN TOPICS

California to Provide Water for Wildlife... Over the next three months California will refill shrunken rivers and swamps...

Notes About People... Tom Clancy has settled a quarrel with his first publisher...

Short Takes... Lower Manhattan has a new nightclub aimed at the Wall Street crowd...

Record numbers of Illinois citizens have been getting married across the state line in Wisconsin...

Travel Update... Transport Workers to Strike

...may become the first woman to be elected in U.S. history



THE HUSTINGS... Dukakis at Hub of Clerics' Dispute... WASHINGTON (WP) — A group of 16 Orthodox Christian priests...

On This They Agree: No Army Draft... WASHINGTON (NYT) — Among the few policies on which Vice President George Bush and Mr. Dukakis agree...

Senate Backs Bid to Let U.S. Join Genocide Treaty... WASHINGTON (NYT) — The Senate has given final legislative approval to a change in U.S. laws...

Reagan Hails Astronauts (and Bush)... WASHINGTON (WP) — President Ronald Reagan combined homage Saturday to the crew of the space shuttle Discovery...

The U.S. Gun Lobby Has Its Favorite... WASHINGTON (AP) — The National Rifle Association is saturating more than a dozen states with radio commercials...

Why Americans Abroad Are Voting For Dukakis/Bentsen... The Dukakis/Bentsen Team Stands For: Equitable treatment of Americans abroad...

pacorabanne Collection Prêt à Porter Eté 1989... Club St James 5, place du Chancelier-Adenauer, 75116 Paris

Chicago's Unsettling Violence... Aiding Fellow Passengers, Witnesses Become Victims

By William E. Schmidt... CHICAGO — Four times in the past month, riders on the transit system here have witnessed singularly brutal acts of violence...

'People are afraid, they are angry, but no one can tell them how they should respond.'

what a criminal looks like, arouse the attention of people around you, call the police.

Police ambivalence about citizen intervention was reflected in the case of Dennis Egan, 22, the man who was hailed by newspapers as a hero after he was injured when he foiled a pickpocket on a train.

Mr. Shotland, a professor of psychology at Pennsylvania State University, has studied the question of citizen intervention.

Citizen crime patrols have proliferated in Chicago, and the Guardian Angels, the group of unarmed teenagers that patrols streets and subways, has offered its help.

But most police departments have no clear policy on what a citizen should do. Saying they are concerned about liability questions, and alarmed over the specter

of vigilantes, the Chicago police discourage citizens from becoming physically involved with criminals.

Mr. Shotland, the psychology professor, said that the police and public agencies must agree on a model public policy. Most importantly, he said, they must emphasize the need to call the police immediately.

'We shouldn't put unnecessary pressure on people to get involved,' he said, 'and then condemn them later for what they did or did not do.'

Richard Taub, a sociologist at the University of Chicago, said the police are not helping in this regard.

Mayor Eugene Sawyer said, 'It's up to the general public to get more involved in what they see.'

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Soviet Psychiatrists Repentant

By Michael R. Gordon
New York Times Service

WASHINGTON — In an effort to improve the international standing of its long-criticized psychiatric profession, the Soviet Union has said that it will reapply for membership in the World Psychiatric Association, according to the president of the organization.

The Soviet psychiatric society withdrew from the organization in 1983, when it was apparently on the verge of being expelled for the official practice of confining political prisoners in mental hospitals.

Since then, the Soviet Union has reported improving its psychiatric standards as part of a broader effort by Mikhail S. Gorbachev to make Soviet society less repressive.

Soviet dissidents and some experts assert that additional improvement is needed, and an intense debate has erupted among experts over whether the Soviet Union should be readmitted before further corrective measures have been taken.

The issue was recently discussed by experts who gathered in Washington for an association symposium on a wide range of psychiatric issues.

Peter B. Reddaway, director of the Kennan Institute and an authority on Soviet psychiatric practices, said Saturday that the Soviets had been systematically releasing from mental hospitals political prisoners who had been the focus of concern in the West.

He said, however, that further actions were necessary before Soviet psychiatrists could be readmitted, including an official condemnation of past abuses and the political rehabilitation of dissidents who had been released from hospitals.

Mr. Reddaway emphasized that the Gorbachev leadership would have to replace senior mental health officials who were in power when the abuses were rampant.

But Costas Stefanis, a Greek professor of psychiatry who serves

as president of the association, seemed to disagree.

In an interview, he said the group must be careful not to interfere in the Soviet Union's internal affairs.

The Soviet psychiatric society, the All-Union Society of Psychiatrists and Neuropathologists, expressed its "willingness to apply" for readmission in a cable sent to the world association earlier this month, he said.

In the time since Mr. Gorbachev assumed power in 1985, the Soviet Union has announced some changes, such as the transfer of 18 so-called special psychiatric hospitals from police control to the control of the Health Ministry and the adoption of a new set of rights for mental patients.

Though many prisoners have been released, the United States is still concerned about 70 cases in which it believes that patients may have been incarcerated on political grounds, a Reagan administration official said recently.



KREMLIN-LAND — Mickey Mouse and a Soviet counterpart, Misha the Bear, entertaining children in Red Square on Sunday. They were promoting the release of four Walt Disney films.

Seoul to Ask UN's Aid For a Reconciliation With Leaders in North

By Susan Chira
New York Times Service

SEOUL — President Roh Tae Woo of South Korea says he will ask the United Nations and its member countries to help bring about a reconciliation with North Korea that would ease tensions between the two neighbors.

In an interview in advance of the first address to the United Nations General Assembly by a South Korean leader, set for Tuesday, Mr. Roh seemed eager to take advantage of the good will engendered by the Olympic Games in Seoul to win backing for his overtures to North Korea, which have so far not made much headway with the government in Pyongyang.

Neither South nor North Korea is a member of the United Nations, but both have observer missions there.

Mr. Roh is to meet with President Ronald Reagan on Thursday in Washington.

During the Olympics, many South Koreans booed American athletes and cheered those from Socialist countries.

While Mr. Roh acknowledged anti-American sentiment, he said the two nations would remain close and ill feelings would dissipate.

"Two people quarrel when they are very close," he said. "Brothers fight. You do not fight with those who are further apart. The Korean public has trusted and depended on American friendship. If their expectations are not met, they are more disappointed."

Mr. Roh has made a priority of improving relations with the North.

While the two Koreas should continue to make efforts to resolve their own affairs, he said, the United Nations could also play an important role in bringing them closer together.

"What we would like the United Nations to do, as a neutral third party, is use its good offices as a mediator," he said Friday afternoon. "Sometimes direct parties cannot agree because of mistrust and pride. Just as in marriage counseling, we need a third party to arrange a satisfactory solution."

In July, Mr. Roh announced a shift in policy toward North Korea intended to promote trade and personal exchanges between the two nations and end the North's diplomatic isolation.

After a flurry of counterproposals by the North, the two sides embarked in August on their first talks in nearly three years.

So far, they have failed to agree on terms for a joint parliamentary

meeting, but will talk again in November.

While the South proposes building good will through family visits, trade, and citizens' exchanges, the North wants a pledge of nonaggression and the eventual withdrawal of U.S. troops.

Mr. Roh said he would not specifically appeal for direct negotiations to be undertaken by UN officials, such as the talks that produced cease-fires in Afghanistan and in the Gulf War.

But he suggested that he would be willing to accept any help in reaching out to North Korea — either from the United Nations or from member countries who have relations with North Korea or have security interests on the Korean peninsula.

"The United Nations has earned the respect of the international community by assisting in the solution of international disputes," he said.

"Based on this," he added, "I think the United Nations can find some role by itself in the Korea question. Other countries individually can also play some role."

■ U.S. Gestures to North

Elaine Sciolino of The New York Times reported from Washington: The United States is expected to take some modest but symbolically important steps toward opening diplomatic and trade contacts with North Korea as proposed by Seoul, State Department officials said Saturday.

Although the officials emphasized that no final decision has been made, they indicated that Mr. Reagan was likely to give Mr. Roh some assurances of the administration's willingness to make a limited overture to the Pyongyang government when the two leaders meet briefly Thursday.

It is unclear when the administration will announce its decision.

Among the steps under active consideration are the resumption of limited diplomatic contact between U.S. and North Korean officials, relaxation of the visa restriction on North Korean nationals and encouragement of unofficial exchanges.

The administration is also examining what one official called "a more lenient approach" to the Trading With the Enemy Act, which prohibits trade with "enemy" countries and has been applied to North Korea.

The administration may extend certain exemptions under the act to North Korea, such as the delivery of "humanitarian items" such as food and medicine.

Gorbachev Aim: Restructure History

Criticism of Stalin Leads to Radical Farming Changes

By David Remnick
Washington Post Service

MOSCOW — When Mikhail S. Gorbachev made his historic speech a year ago on the crimes of the Stalin era, many here said they felt he had not gone far enough with his criticism, especially of the

mass repressions and deaths during the period. In September, the party newspaper Pravda denounced collectivization as a cruel policy that had led to a legacy of ruinous stagnation in Soviet agriculture.

Mr. Gorbachev needed to clarify Soviet history in order to turn Soviet history around.

Soviet officials said in interviews that some people were hesitant to change their ways because they remembered the past only too well. "There is a fear of getting wealthy and then getting in trouble," one official said.

NEWS ANALYSIS

brutal collectivization of Soviet farms in the late 1920s and early 1930s.

But Mr. Gorbachev proved last week that the rethinking of Soviet history, despite its limits, could have far-reaching consequences for the lives of ordinary people. Without first opening the way for a historical examination of collectivization, he could never have made the radical pitch for widespread new forms of farming that he did last week at a dramatic meeting with agricultural leaders at the Kremlin.

Western and some Soviet scholars estimate that millions of Soviet citizens died during mass deportations and famine during Stalin's collectivization drive. In his speech last Nov. 7, Mr. Gorbachev spoke vaguely of a policy that had had periods of "excesses" but had been "a transformation of great importance."

But in the last several months the Soviet leader has steadily increased the sharpness of his view of collectivization.

More importantly, he has permitted numerous journals and newspapers to publish evidence of

Leaving the details to historians, he moved to questions of policy. For months, in broadcast speeches and meetings, he has been calling for 50-year leases for family farmers and a gradual reduction in scope of the enormous *sovkhozes* (state farms) and *kolkhozes* (collective farms). At the meeting with agricultural leaders last week, he widened that appeal, asking that "the entire agrarian sector follow this path."

His idealized picture of Soviet agriculture, one dominated by smaller groups of ambitious farmers who are out to maximize production as well as their own income, is at complete odds with five decades of Soviet ideology. He is encouraging nothing less than the resurrection of a class of farmers who would have been denounced and executed during Stalin's collectivization.

Mr. Gorbachev will not be able to transform Soviet agriculture overnight. He faces strong opposition from the invariably conservative and bureaucratic leaders of regional state farms, and he must also persuade farmers that they have nothing to fear, economically or judicially, from the new lease arrangements.

Mr. Gorbachev, who has become head of government as well as leader of the Communist Party, has extraordinary power not only to criticize the past but also to advertise the virtues of his new policies. And nowhere has that power been more apparent than in his attempts to turn around the Soviet Union's huge food problem.

With television as his primary propaganda tool, Mr. Gorbachev used a September trip to the Siberian city of Krasnoyarsk to dramatize the depths of people's concerns. And last week, during televised excerpts from his meeting with farm leaders, he orchestrated a lengthy discussion on the virtues of the new leasing plans.

As always, Mr. Gorbachev interrupted speakers, browbeating speakers when they contradicted the new line and, more often, encouraging those who supported it.

Instead of calling for the elimination of collective and state farms, he said that widespread leasing would "open up their potential."

"A person's desire to own land and resources, to create his own family farm, does not contradict socialism, comrades," he said. "Such an owner will work on land that is public property."

MANILA: U.S. and Philippines Agree on Bases' Rent

(Continued from Page 1)

pinies, the administration agreed to speed delivery of some U.S. aid that was previously approved but not sent. Some of the aid will be made available in cash to hasten its spending, a U.S. official said.

The breakthrough in the often-contentious negotiations got a strong push in repeated unannounced meetings in Washington last week between Mr. Manglapus and an assistant secretary of state, Gaston Sigur.

The negotiations are technically a review of the U.S.-Philippine Military Bases Agreement, which expires in 1991.

Successful completion of the review is necessary before a more complex and difficult negotiation over the ultimate future of the bases can begin.

Large stockpiles of fuel and ammunition are maintained at the Clark base, from which the United States can stage airlift operations and train combat pilots in the 13th Air Wing based there.

Subic Bay Naval Base is the main rest-and-repair stop for the U.S. fleet operating from the mid-

Pacific to the Gulf. Because of the difficulty of reaching agreement on the bases review and doubts about renewal of the broader pact, the Pentagon for the first time seriously contemplated arrangements under which U.S. forces would go elsewhere in the Pacific for support.

A speech in September by the Soviet leader, Mikhail S. Gorbachev, offering to remove Soviet forces from bases in Vietnam if U.S. forces leave the Philippines was a complicating factor in Philippine politics. But it does not appear to have seriously affected the negotiations between Washington and Manila.

The basic outline of the U.S. compensation package had been clear since it was placed on the negotiating table in Manila in mid-summer, and the Reagan administration rebuffed repeated efforts by the Philippines to increase the compensation level.

■ New Stability Is Seen

Seth Mydans of The New York Times reported from Manila: President Aquino's spokesman, Teodoro Benigno, said the agreement "will certainly create an atmosphere of stability in the Philippines."

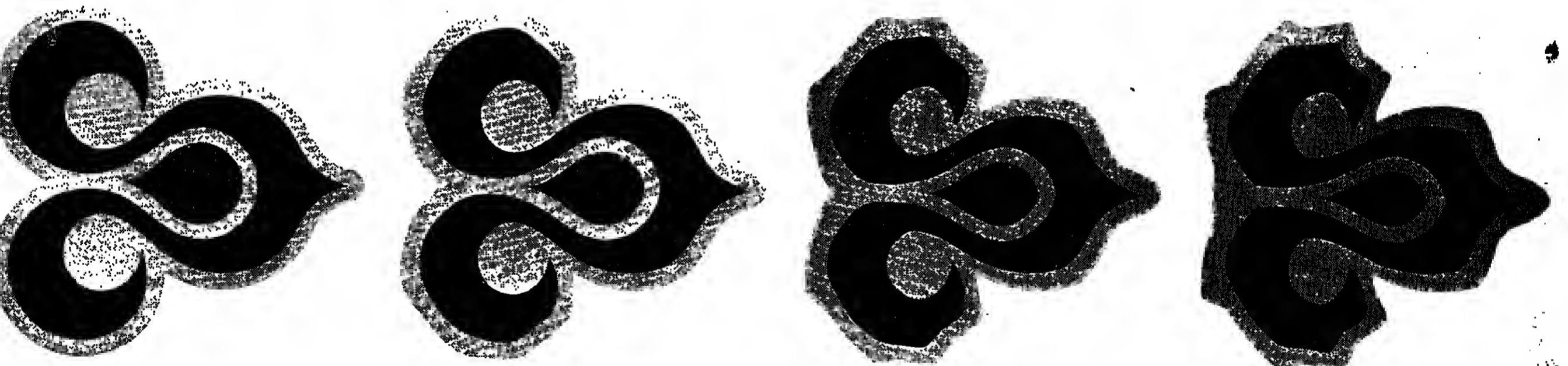
"It will help the Philippines cope with problems of economic recovery and help businessmen plan for the future," he said.

It has become politically difficult for public figures to speak out in favor of the bases, which have been described as an infringement on national sovereignty.

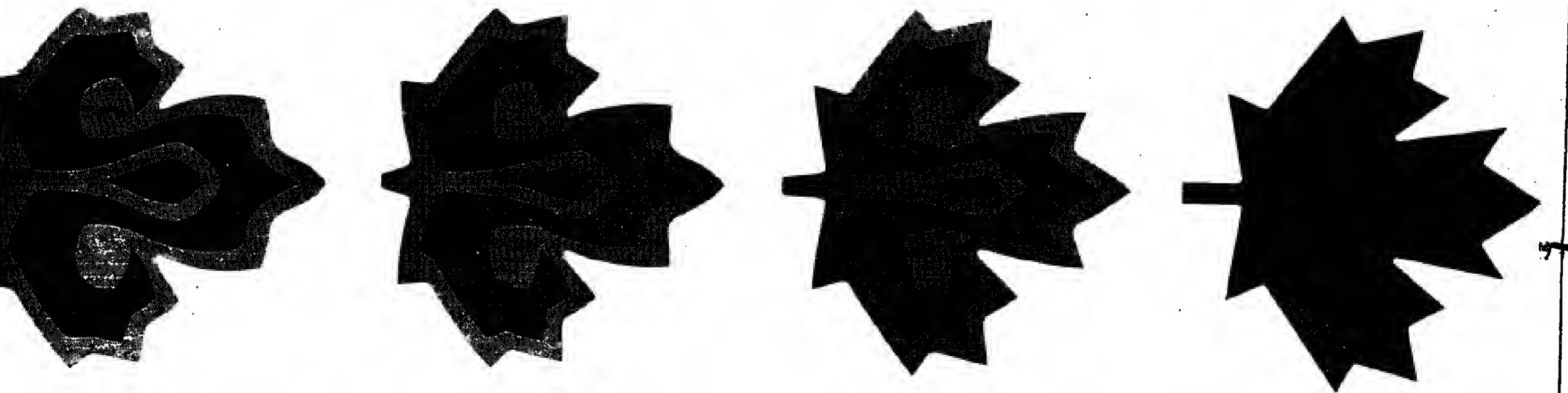
Meanwhile, in an act of vandalism that the police said appeared to be related to the negotiations, people suspected of being Communist rebels damaged a statue of General Douglas MacArthur in an explosion on Saturday in Palo, on Leyte Island southeast of Manila.

The 10-foot-high (3-meter-high) bronze statue is the centerpiece of a group of figures shown wading ashore in Leyte on Oct. 20, 1944, to liberate the U.S. colony that the Japanese invaded the archipelago early in World War II.

The Leyte landing, fulfilling the general's pledge — "I shall return" — has remained a symbol of the warm relations between the two nations since the United States granted the Philippines its independence after the war.



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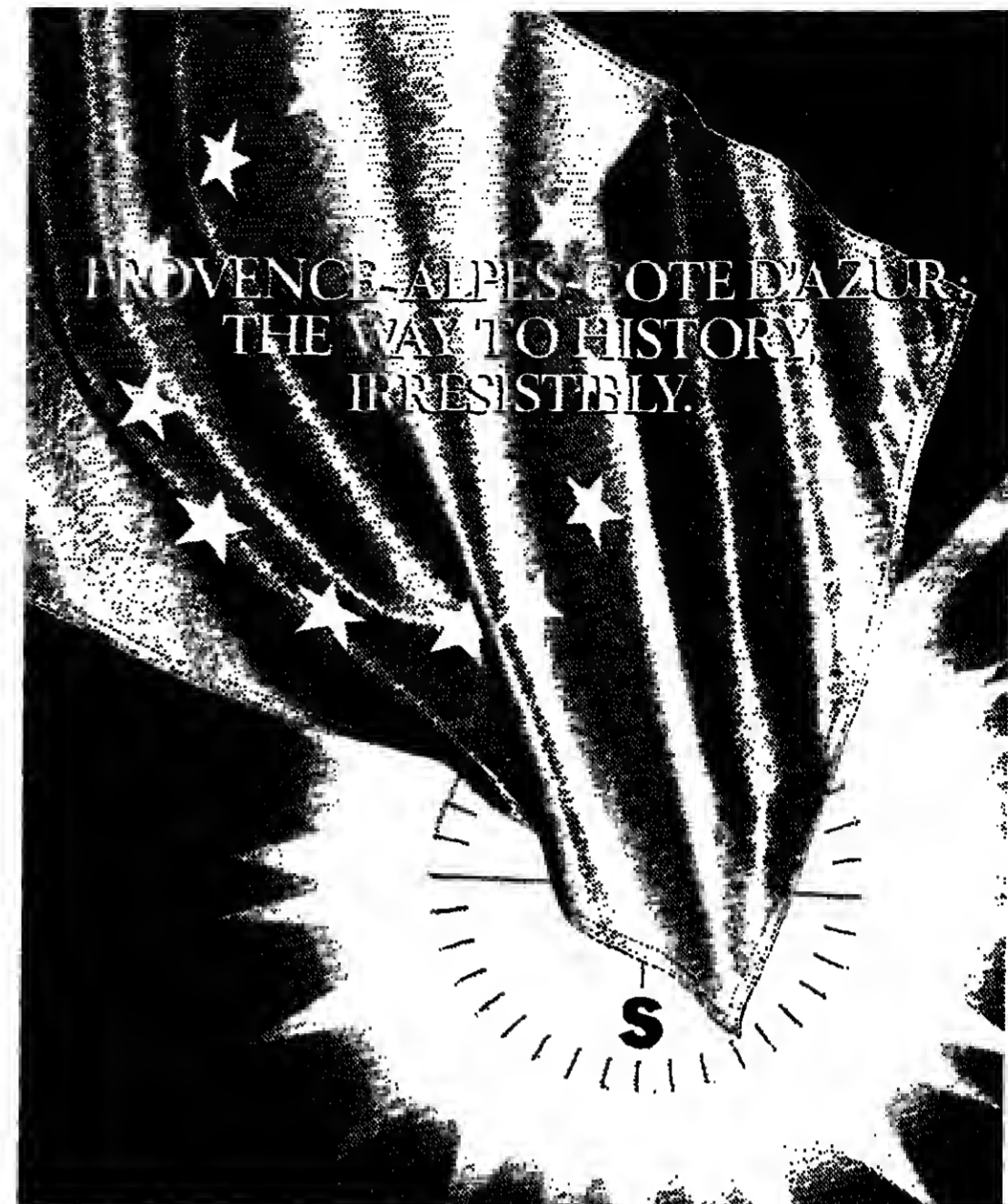
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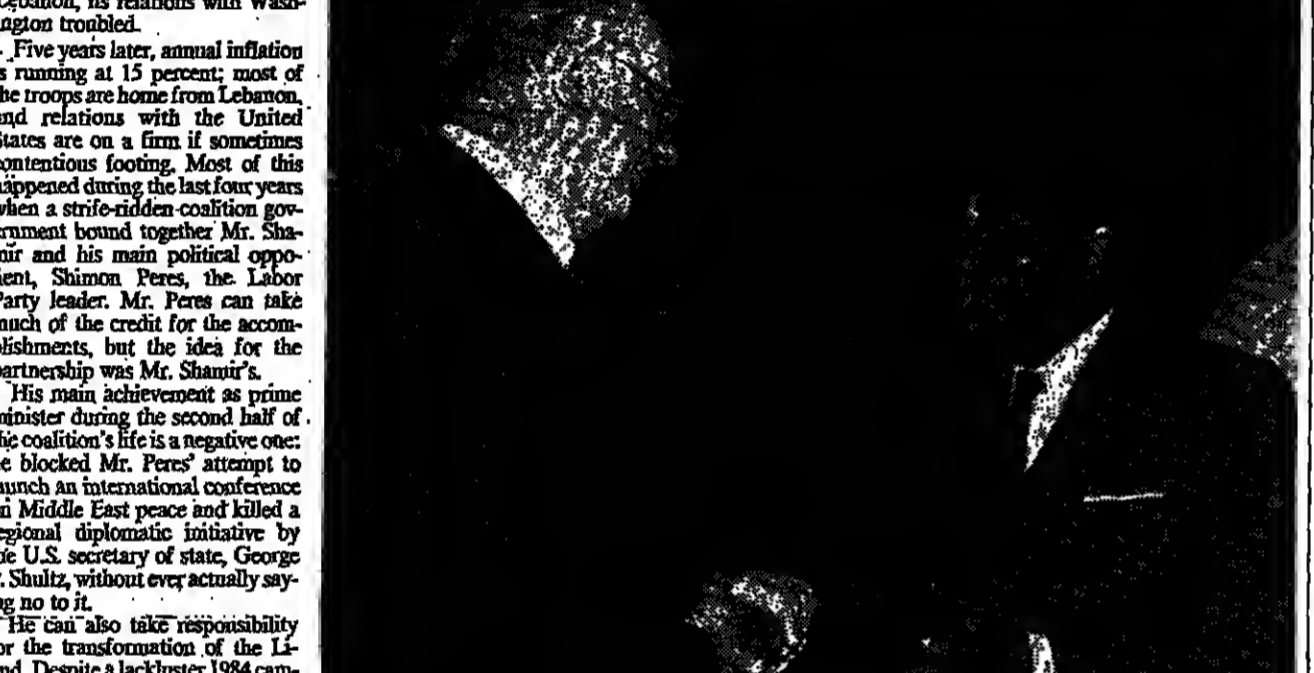
...merging, but will talk...
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...Labor into the...
...Israeli elections...
...Mr. Shamir is as...
...funny looking as...
...can be, but peo...
...to-earth, honest...
...said Sarah Honig...
...Others view Mr...
...as complacency,...

Shamir Fights On for His Vision of Israel

By Glenn Frankel
Washington Post Service
PETAH TIKVA, Israel — Earlier they had mobbed him, shouting his name and straining for a glimpse as if he were a movie star, and his small entourage moved through the pedestrian mall. Now at a rally, they cheered wildly as he accused his opponent of betraying the people of Israel and sketched his own vision of how his country could secure its future. It was a "total lie" that he did not long for peace, Yitzhak Shamir said, his voice rising. But what he wanted was "true peace, not peace at any price" and not peace at the expense of surrendering the land he calls Judea and Samaria. It is the land that most of the world knows as the Israeli-occupied West Bank. He closed by projecting himself and his Likud political bloc as the embodiment of the Israeli nation. "We do not represent any one interest group — the workers, the farmers, the industrialists — because we are the entire nation, all of us. We are a national movement. We are not left and not right. We are the center camp whose mission is to be concerned about the whole people of Israel."
It was just another evening on the campaign trail for Mr. Shamir, 73, a diminutive politician who is seeking a mandate to keep the prime ministership, which he has held for three of the last five years. But his appearance last week in Petah Tikva, a central Israeli town, was a measure of how far Mr. Shamir has come as a politician, public speaker and leader of a party that is five years ago seemed on the verge of political disaster.
When he took over as prime minister after Menachem Begin's resignation in 1983, he was to serve as a caretaker until younger, stronger and more politically adept men could sort out the succession. Israel's inflation rate was in triple figures, its army in the quagmire of Lebanon, its relations with Washington troubled.
... Five years later, annual inflation is running at 15 percent; most of the troops are home from Lebanon, and relations with the United States are on a firm if sometimes contentious footing. Most of this happened during the last four years when a strife-ridden coalition government bound together Mr. Shamir and his main political opponent, Shimon Peres, the Labor Party leader. Mr. Peres can take much of the credit for the accomplishments, but the idea for the partnership was Mr. Shamir's.
His main achievement as prime minister during the second half of the coalition's life is a negative one: he blocked Mr. Peres' attempt to launch an international conference on Middle East peace and killed a regional diplomatic initiative by the U.S. secretary of state, George P. Shultz, without ever actually saying no to it.
... He can also take responsibility for the transformation of the Likud. Despite a lackluster 1984 campaign, he managed to dodge the huge electoral defeat that polls had predicted and won enough seats in the Knesset, or parliament, to force Labor into the unity government.
Israeli elections are about parties and policies, but they are also about people, and this particular election is very much about Yitzhak Shamir and Shimon Peres.
Mr. Peres is the ultimate insider who has spent his adulthood in a variety of key government posts. He is articulate, passionate and impatient. Mr. Shamir is the outsider, a restrained, reluctant, at times monosyllabic man who emerged from the shadows of a life spent first in the smallest and most extreme of the pre-independence Jewish underground movements, later in the Mossad intelligence agency.
Yet the polls suggest it is Mr. Shamir, not Mr. Peres, who stands the better chance of being Israel's next prime minister in the Nov. 1 election.
"Shamir is as uncharismatic and funny looking as a human being can be, but people say he's down-to-earth, honest and reliable," said Sarah Honig, a veteran Israeli political reporter.
Others view Mr. Shamir's silence as complacency, his emphasis on



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BOTHA TAKES DIPLOMATIC DRIVE TO IVORY COAST — President Félix Houphouët-Boigny, right, welcoming P.W. Botha of South Africa at Yamoussoukro, the Ivory Coast capital, where they discussed conflicts in southern Africa for nearly five hours. Mr. Botha has been meeting Black African leaders in recent weeks in an effort to end South Africa's political isolation.

No Cuba Pullout Pact, Angola Says

By Robert Pear
New York Times Service
WASHINGTON — Angolan and Cuban diplomats have denied reports that they have reached agreement with South Africa on a schedule for the withdrawal of Cuban troops from Angola.
On Oct. 9, after three days of talks in New York, U.S. officials said negotiators from Angola, Cuba, South Africa and the United States had agreed that all Cuban troops should be withdrawn in 24 to 30 months. The officials' comments were reported Oct. 10 in The New York Times.
But Manuel Pedro Pavao, Angola's representative at the United Nations, and Ricardo Alarcon de Quesada, Cuba's deputy foreign minister, said there was no agreement on the specific number of months. They want 30 months, while the South Africans want 24.
Under a formula proposed by the United States, the withdrawal of Cuban troops from Angola is to be linked with the independence of the neighboring territory of South-West Africa, South Africa administers the territory, which is also known as Namibia, in disregard of UN resolutions.
South Africa, Angola and Cuba agreed in August that South-West Africa should begin its transition to independence on Nov. 1.
But some experts on southern Africa said they would not be surprised if the Pretoria government did not meet that deadline. The pace of Cuban troop withdrawal is a more difficult problem than the overall time allowed for their departure.
Wayne Smith, former head of the U.S. interests section in Cuba, said Cuban officials told him this week that South Africa wanted 90 percent of the Cubans withdrawn in the first year.
By contrast, he said, the United States contends that about 75 percent should pull out in the first year, while Cuba and Angola believe that 50 percent would be sufficient. But he said Cuba would be willing to move the remaining troops north of the 13th parallel, "so they would be far from the Namibian frontier."
U.S. officials say Cuba has about 50,000 troops in Angola supporting the Soviet-backed government.

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OPINION

INTERNATIONAL Herald Tribune

Dukakis on the Ropes

In some ways, Michael Dukakis's rout the other night is perplexing. For days the word on the street had been that the Massachusetts governor was going to come out slugging, that he was really going to take George Bush on, that he had some devastating October surprises up his sleeve, etc. His people talked about "the plan." If it in fact existed, then presumably the governor either clutched (one theory) or thought better of it (another) or for some third unspecified reason performed as routinely and stiffly as he did. But this is a perplexity which in no way prevents you from understanding a larger truth, which is that whatever did or didn't happen to "the plan" for Thursday night, Mr. Dukakis's problems during the debate proceeded from a couple of large, basic failings of his campaign, failings that can be described as strategic rather than tactical.

The first of these has been a misplaced insularity and smugness that appear to have caused him and his top aides to think that all you needed to do was say "George Bush" and everyone in the country would start laughing and hissing, but mainly laughing. In Atlanta, after all, this is what happened; and, as was universally pointed out at the time, mere straight-faced intonation of the words was also guaranteed to make people laugh on the late-night talk shows and in other precincts where wisecracking, as distinct from vote-getting, has been raised to a high art. Mr. Bush, whose prep school idiom and often frenetic television manner never did reflect the whole man, got his revenge the other night.

The other strategic trap has been Governor Dukakis's apparent belief that he could win by getting the support of that legendary and perhaps chimerical group, "the Reagan Democrats," and that he could, in turn, achieve this by sort of dancing around the record. Thus he has given the absolute minimum of support or even acknowledgment to certain traditional liberal constituencies that are indispensable to a Democrat's success and responded to George Bush's more scurrilous attacks not with how-dare-you or you're-damn-right-I'm-for-that-and-I'll-tell-you-why, but rather with retorts of I-am-not or that's-unfair and photo-ops of himself surrounded by ever more flags.

Thus again the other night the occasion cried out for Mr. Dukakis to stop reacting to the "charges" that he was a liberal, as if he had just been called a war criminal or a child molester, and step up to the challenge of defining what in the best terms that honorable word means. This he should have started doing months ago, as soon as the nature of the demographic Republican attack-line became clear. But as of Thursday, the Democratic candidate was still treating it as a

Deprive Us of 'The Enemy'? Sure, Go Right Ahead

By Charles Krauthammer

WASHINGTON — "All politburo members are equal," explained the chief Soviet foreign policy spokesman, Gennadi Gerasimov, "though some of them may be more equal than others." Leave it to sophisticated Gerasimov to describe Mikhail Gorbachev's recent palace coup — in which Mr. Gorbachev and his allies came out "more equal" than the nefarious Ligachevites — with a knowing allusion to Orwell's satire of Kremlin-style rule. An inside joke of a high order, deftly executed.

Everyone agrees that something real is going on in the Soviet Union, but no one can define exactly what it is. Mr. Gerasimov's slickness, like Mr. Gorbachev's tailoring and Vladimir Posner's New York accent, gives the impression that Gorbachevism is mere sophistication of presentation. But note another Gerasimov nugget. Asked what Mr. Gorbachev and his fellow coup-makers want to accomplish, he mentioned food, goods and housing. He then added, "And we want to be a civilized nation."

Not many government spokesmen will admit that their nation is less than civilized. It is not clear whether the marks of civilization to which Mr. Gerasimov alludes are human rights, convertible currency or abundant soap, but none of these is to be found in the Soviet Union and it is clear that the resultant feelings of inadequacy, shame even, are driving Mikhail Gorbachev and perestroika.

In America's New Politics, Bush Can Only Win

By Flora Lewis

CAMBRIDGE, Massachusetts — The election isn't over. But the second and, Vice President George Bush made clear, final confrontation of presidential candidates left Governor Michael Dukakis well short of the breakthrough he needs.

As these things go, Thursday night's was an improvement. Mr. Bush kept expressing his "respect" for the governor as a family man, a man of ethics and so on, switching gears from crude attacks on his patriotism and falsely alleged indulgence for criminals. But Mr. Dukakis was still defensive, wondering repeatedly which George Bush was the real one. The questions were intelligently devised to probe the central issue on voters' minds — not really what measures a new president would push, but: What kind of man are these? What is in their gut? What makes them react? Which one would you be more comfortable with on your living room sofa for the next four years?

The Budget and Military Realities Are Irrelevant

By Anthony Lewis

WASHINGTON — Has an American political campaign ever been so divorced from the realities confronting the country? That was the question that came to mind as I watched the second debate between George Bush and Michael Dukakis. The real reality is economic. Henry Kaufman, the Wall Street Journal's columnist for the New York Times Magazine, wrote in an article for the magazine, "Whoever is sworn in as the 41st president will have to deal with economic problems more complex and more potentially treacherous than any seen since the time of Franklin D. Roosevelt."

The problems are no secret. Among them are a huge federal budget deficit, a trade deficit that remains high despite a falling dollar, an enormous accumulated debt to the rest of the world. To those Mr. Kaufman added the growing crisis of bankrupt savings and loan associations, which may cost taxpayers \$100 billion in bailouts.

But the separation from reality in these answers is hair-raising. Consider Pentagon spending. The Congressional Budget Office has just reported that the weapons programs already planned and approved for the next five years would need a 4 percent annual increase in military spending above inflation. That would add between \$175 billion and \$250 billion to a level military budget.

Perestroika in Algeria

A week of deadly rioting against austerity measures in Algeria has shaken the complacency of a regime inclined to live on the myths of a revolutionary past.

President Chadli Bendjedid has responded sensibly with a program of accelerated political and economic reforms. Americans and all others who value stability in this strategically situated country ought to root for the success of his attempts at perestroika, Algerian-style.

In his credit, President Bendjedid, a pragmatist, saw crisis coming before it exploded on the streets. His previous efforts to loosen the hold of the ruling party on economic and political life produced a backlash in the front's old guard. Now he has upped his challenge to party critics by seeking a mandate to phase out one-party rule in a constitutional referendum set for Nov. 3.

His success is far from assured, and Islamic fundamentalists as well as party hardliners stand ready to exploit any missteps. Algeria's neighbors, which include Libya, Morocco, Tunisia, Spain, France and Italy, have their own reasons to worry about possible outcomes. Washington would be prudent to heed its allies' concerns. Colonel Bendjedid's reform program warrants U.S. support.

Liberal Don't Campaign Well Outside the Fold

By David S. Broder

LOS ANGELES — Two years ago this month, John Sasso, the able political handler of Michael Dukakis, was sitting at lunch in Boston's venerable Locke Oyster restaurant, running down the pluses and minuses of a possible presidential candidacy by the governor of Massachusetts.

Mr. Sasso talked about Mr. Dukakis's growing national reputation as an innovative state executive who was dealing with the challenges of a changing economy and finding "consensus" solutions to such nagging problems as job retraining and welfare reform. Such an approach, he said, could translate to the national level. But there were real questions, he conceded, whether Mr. Dukakis could compete effectively against other Democratic contenders while holding down his job as governor. And no one could judge in advance, he said, how voters across the country would react to the name "Dukakis" or the notion of having a second-generation Greek immigrant's son with a Jewish wife as the president and first lady.

100, 75 AND 50 YEARS AGO

1888: Cane With a Lift

PARIS — A new style of cane, which will be largely sought after by the nude element up town, has been put on the market and is having a rapid sale. From the handle, for a distance of several inches, the interior of the cane is hollow, the lining being of porcelain. A gill and a half of whiskey or brandy can be poured into it, and a little rubber tube, artfully concealed, enables the possessor to sip or draw the contents at his leisure. It is particularly useful for that class of individuals who insist on going out between two acts at the theatres.

1913: Sulzer Convicted

NEW YORK — Mr. William Sulzer, the impeached Governor of the State of New York, was found guilty by the impeachment court this afternoon (Oct. 16) by a vote of 39 to 18. The court found him guilty of filing a false statement of campaign contributions and also of perjury.

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— Ross K. Baker in the Los Angeles Times.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 232 11 30

Prices may vary according to market conditions and other factors.

Dollar Straights

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Includes entries for Australia, Canada, and various international bonds.

Japan

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists Japanese government and corporate bonds.

Scandinavia

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists bonds from Denmark, Finland, and Norway.

Supranational

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists international organizations like ECSC and ECU.

DM Straights

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists German government and corporate bonds.

ECU Straights

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists European Currency Unit (ECU) bonds.

Mutual Funds

Figures as of close of trading Friday

Large table listing various mutual funds with columns for fund name, share price, and other details.

France

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists French government and corporate bonds.

Spain

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists Spanish government and corporate bonds.

United Kingdom

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists UK government and corporate bonds.

United States

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists US government and corporate bonds.

Non-European

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists bonds from various non-European countries.

Western Europe (Other)

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists other Western European bonds.

Dollar Zero Coupons

Table with columns: Issuer, Con Mat Price, Yld, and Bid. Lists zero-coupon dollar bonds.

WestLB advertisement for Fixed Income and Equities Trading, including contact information for Düsseldorf, London, Luxembourg, and Hong Kong.

NASDAQ National Market

OTC Consolidated trading for week ended Friday, Oct. 14

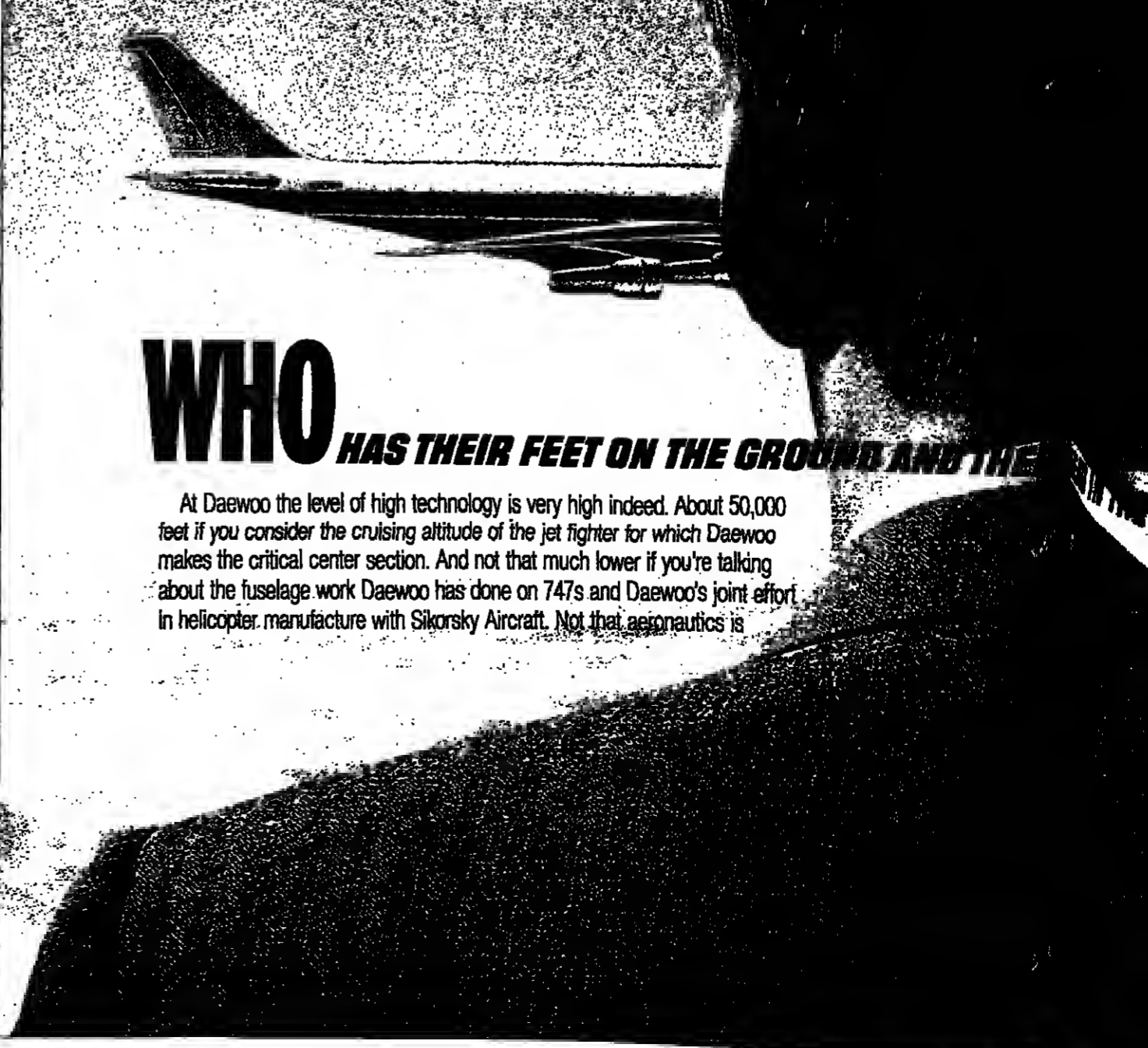
Main NASDAQ table with columns for stock symbols, sales, high, low, close, and net change. Includes various OTC stocks.

Secondary NASDAQ table with columns for stock symbols, sales, high, low, close, and net change. Includes various OTC stocks.

(Continued on next page)

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table of NASDAQ National Market data, including columns for stock symbols, prices, and volume. Includes sub-sections like 'Continued' and 'OTC'.

Table of international market data, including various stock indices and exchange rates from different countries.

Table of international market data, continuing from the previous table with more stock symbols and market indicators.

Table of international market data, including Eurobond yields and weekly sales figures.



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Chicago Exchange Options

Table of Chicago Exchange Options data, showing call and put option prices for various stocks and indices.

Questions Remain on Issue by Crédit Lyonnais

By Carl Gewirtz
International Herald Tribune

PARIS — Of all the financings in the international bond and credit markets last week, one by Crédit Lyonnais stands out as the most interesting, although the details on it are sketchy.

A public announcement from the state-owned bank said it had issued \$350 million of subordinated perpetual capital notes on which interest payments could be suspended. If interest is not paid on a regular basis, it does not accumulate. The interest, which would only be paid for the first 15 years anyway, is 1.05 percentage point over the London interbank offered rate.

"Among the financial instruments counted as capital," the bank said, "these notes are in a category closest to equity."

The transaction is significant because it permits the French bank to diversify its capital base into a currency other than the franc. This move will help limit the disruptive impact floating exchange rates can have on the bank's measures of capital adequacy.

Loans extended in dollars in 1981, when the dollar was worth 5.4 francs, are up almost twice as much as in 1985, when the dollar was worth more than 10 francs. With part of the bank's capital now also denominated in dollars, violent changes in exchange rates will be matched by value changes in its capital base as expressed in French francs.

Also noteworthy is the fact that Crédit Lyonnais, using a formula introduced by state-owned Rhône-Poulenc a few months ago, succeeds through the issue in increasing its capital without having to ask its shareholders for additional

INTERNATIONAL CREDIT

money and without watering down the government's 100 percent ownership.

But, as was the case with Rhône-Poulenc, the structure of the transaction raises questions about accounting procedures that are inherent in the complicated formula developed by Merrill Lynch, which arranged the issue.

There are equally controversial regulatory questions, which focus on whether the \$350 million Crédit Lyonnais would receive is core capital or supplementary capital.

Bank regulators from 12 leading industrialized countries, working under the auspices of the Bank for International Settlements, last year established standards for measuring banks' capital and establishing how much capital they need relative to the types of business they engage in. The regulators established a standard ratio of capital to risk-weighted assets of 7% percent by 1990, and 8 percent by 1992.

Mr. Gilie said the classification of funds was a question for regulatory authorities and, in any event, "was not the determining element" in the bank's decision to tap the market.

A spokesman for the Commission Bancaire was also noncommittal. She refused to say directly that the funds are considered Tier 1 money, but noted that the Crédit Lyonnais issue was virtually identical to the non-cumulative preferred shares that U.S. banks count as Tier 1 capital.

It is generally believed that the Crédit Lyonnais funds will be classified as Tier 1, but competitors of the bank and Merrill Lynch are desperate to identify the purchasers of the notes in order to see the documents that spell out under what conditions interest payments on the notes can be suspended.

The suspension clause is key to having the proceeds considered as core capital. In principle, analysts say, for the funds to qualify as Tier 1 capital the bank must be able to skip payment of interest without any obligation to make it up at a later date, and with noteholders having no recourse to sue for the lost interest.

perual in form, but 15-year in substance.

Like Rhône-Poulenc, which sold \$1.2 billion in perpetual notes, Crédit Lyonnais has sold to Merrill Lynch \$350 million of perpetual notes on which interest will be paid for only 15 years. In exchange, Crédit Lyonnais received only about \$260 million in cash.

Merrill Lynch will use the \$90 million difference to create an off-shore trust that will buy 15-year, zero-coupon U.S. government bonds whose redemption value will equal \$350 million.

The question of form over substance goes to the heart of the dispute on accounting procedures for such issues.

The \$90 million Merrill Lynch will use to create the trust will never be seen by Crédit Lyonnais, which will real time as prepaid interest. Since interest payments are tax deductible, Crédit Lyonnais will get to deduct the entire cost of the transaction. In effect, by allowing the tax deduction, the government is subsidizing to the capital increase but only at a fraction of the cost — \$90 million in reduced tax revenue compared with \$350 million in real cash.

New International Bond Issues

Compiled by G. Jennifer Shapiro

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Lists various international bond issues like Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

BONDS: The Dollar Turns Down

(Continued from first finance page)

percent stake in the holding company, Republic New York will hold 49 percent and Edmund J. Safra, principal shareholder of Republic New York, will hold the remainder.

By contrast, the equity-linked offerings from Japanese issuers drew only lukewarm support, with only Bridgestone and Kobe Steel ending the week trading above the offer price.

avoid the interest withholding tax that comes into effect next year, appear to be the only ones buying mark Eurobonds. The four issued last week all ended trading outside the fees paid to underwriters.

The Euroguilder market, with higher yields and a currency closely tied to the mark, is considered a better attraction than the mark; and the European Currency Unit, with still higher interest rates, continues to attract investors from Switzerland.

The World Bank tapped both the guilder sector and opened the Swedish krona market. With a coupon of 10% percent, the krona bonds join the Canadian, Australian and New Zealand dollar sectors as high-coupon markets appealing to retail investors.

Wall Street Review

NYSE Most Actives, AMEX Most Actives, NYSE Sales, AMEX Sales, NYSE Diaries, AMEX Diaries. Summary of market activity.

Prices Decline in Volatile Trading

NEW YORK — The eroding value of the dollar against key foreign currencies and a surge in oil prices Friday pushed bond prices down last week in volatile trading. "It's a pingpong market," said Lawrence Morris, a vice president of the bond department at

The reports were "all pretty favorable to the market," Mr. Morris said. But the market took a downturn on a surge in oil prices and a

The bond market's volatility indicates a lack of commitment to the market, Mr. Morris said.

U.S. CREDIT MARKETS

Oil prices surged Friday on rumors that key members of the Organization of Petroleum Exporting Countries would forge an agreement over the weekend to cut crude output by about 2 million barrels a day.

On Friday, economic reports for September showed a 0.4 percent rise in production prices, a 0.4 percent decline in retail sales and an industrial production rate that was unchanged.

The Federal Home Loan Mortgage Corp., a government-chartered corporation owned by savings institutions and known as Freddie Mac, said fixed-rate mortgages averaged 10.33 percent last week, down from 10.38 percent the previous week.

That was the lowest since rates averaged 10.32 percent in the week that ended May 6. The averages do not include add-on fees known as points.

Fixed-rate mortgages hit a high for the year of 10.71 percent in the week ended Aug. 19. That was the week after the Federal Reserve Board raised the discount rate, charged on loans to banking institutions, to 6.5 percent from 6 percent in an effort to cool economic growth that it believed was leading to accelerating inflation.

WORLD STOCKS IN REVIEW / Via Agence France-Press

Table with columns: City, Stock Price, and Notes. Reviews of market activity in Amsterdam, London, Frankfurt, Hong Kong, Zurich, Tokyo, Paris, and Singapore.

GEFINOR logo and SHEAFFER EATON ACQUISITION details. Lists participants: GEFINOR INVESTMENTS N.V., GROUPE DES ASSURANCES NATIONALES S.A., UNION DES ASSURANCES DE PARIS S.A., COMPAGNIE FINANCIERE DE ROMBAS, R.E.L. PARTENAIRES S.A., A.Z. AL QURAISHI & BROTHERS, BANEXI - Groupe Banque Nationale de Paris, PALUEL-MARMONT S.A., GEFINOR LIMITED, ACTED AS INVESTMENT BANKER.

U.S. Consumer Rates table. Oct. 14. Treasury Bonds, Bond Buyer 20-Year Index, Money Market Funds, etc.

Treasury Bonds table. Oct. 14. Monthly, Bid, Ask, Yield, etc. Source: Salomon Inc.

PERSONAL INVESTING. IN THE HEAT OF THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS — WORLDWIDE

Vertical advertisement on the right edge of the page with the text 'IN THE NET' and 'THIS REPORT'.

France's Banking Blues

Banks Grapple Anew With Socialist Government

By John Phillips

PARIS — Relations between the banking profession and the Socialist government entered a delicate phase this fall after Budget Minister Michel Charasse sharply criticized bankers who, he said, "want to take our money and stop us from using it."

Mr. Charasse's remarks, televised live to millions of viewers, marked the worst point in a bitter dispute that erupted when the big three commercial banks, Banque Nationale de Paris, Crédit Lyonnais and Société Générale, announced that they intended to increase their credit card charges.

Under intense pressure from a government evidently wooing voters faced with fall local elections, the state-run Crédit Lyonnais and BNP backed down and postponed the increases indefinitely pending "consultations" with consumers.

Only Société Générale persisted with moderate increases, a measure of the independence it obtained after privatization as part of former Prime Minister Jacques Chirac's denationalization program.

Mr. Charasse's approach earned him the sobriquet "Falstaff in the office of Colbert" from the leftist magazine *Le Nouvel Observateur*.

The normally reserved Finance Minister Pierre Bérégovoy also stepped into the fray.

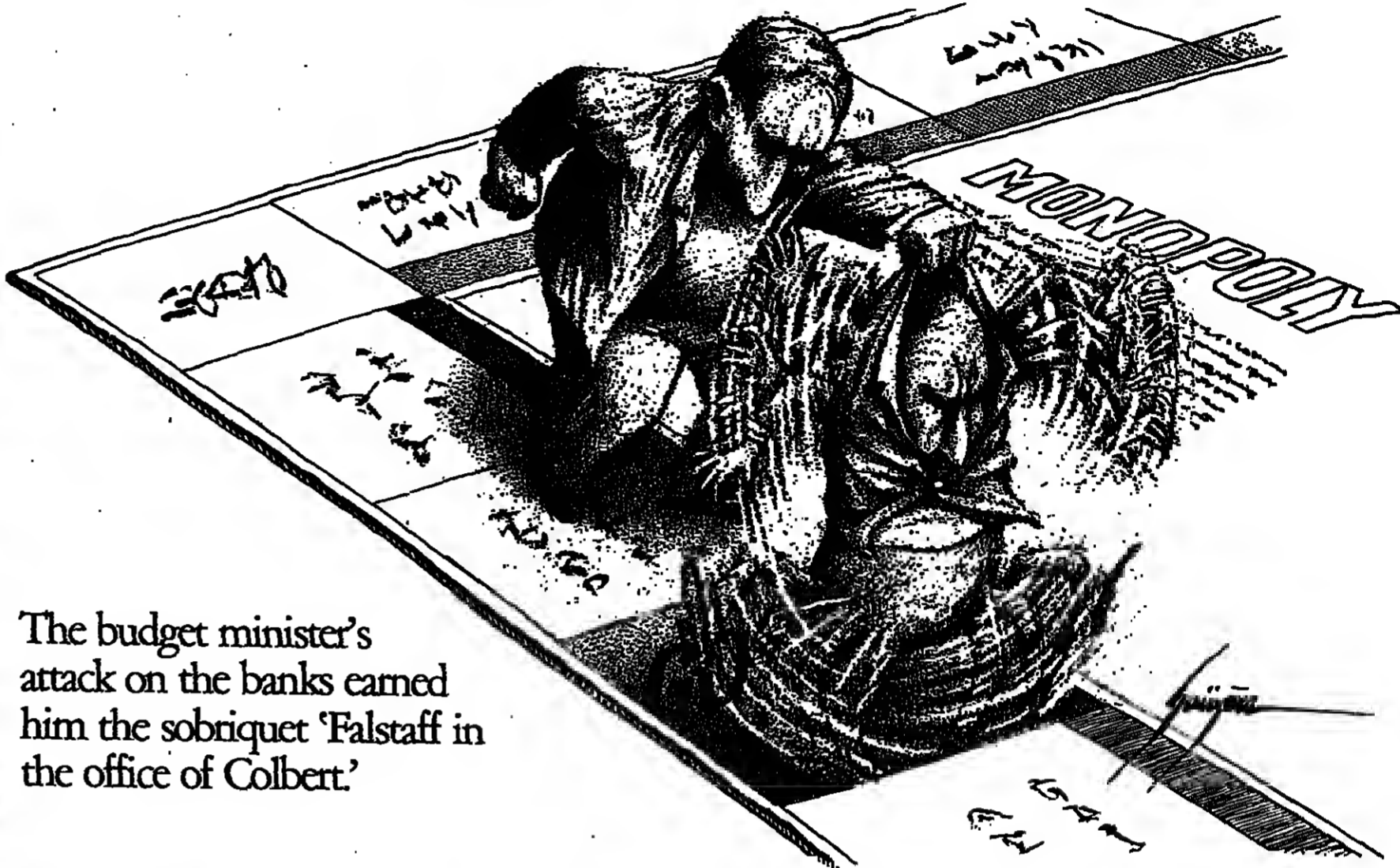
"The banks took concerted action," he said. "I am well informed. It is contrary to competition laws."

There were undignified scenes when government inspectors visited the headquarters of the big three banks and two credit card companies, hauling away kilos of documents to scan for evidence of unfair collusion.

The French Association of Banks, in an angry statement, said: "Whipping a profession that certainly has problems but whose successes are the envy of foreign competitors is a curious way to prepare for the arrival of [a single European market in] 1992."

The association blasted the media for "hour after hour" depicting bankers as "villains." It cited a consumer survey showing that 90 percent of the French are satisfied with their banks.

The acrimonious bickering over credit card charges and banks' rela-



The budget minister's attack on the banks earned him the sobriquet 'Falstaff in the office of Colbert.'

Ann Pierre Galtier

IN THE NEWS

Sept. 16: Minister Stresses Need for German Investment

During a meeting of the French-German Economic and Financial Council in Frankfurt, Finance Minister Pierre Bérégovoy said France must be more willing to accept West German investment. Discussions centered on ways to recycle the German trade surpluses. Mr. Bérégovoy, a critic of West German monetary policy, said the current level of the French franc against the Deutsche mark was "suitable."



Pierre Bérégovoy

Sept. 21: Budget Projects Reduction in Deficit

The 1989 budget law brings the deficit from 115 billion francs to 100 billion francs and reduces household and company taxes by 15 billion francs. Tax rates to companies reinvesting profits will be reduced from 42 to 39 percent. Spending is to rise by 4.7 percent, with increased allocations to education, employment, research and culture. As a percentage of GNP, the budget deficit is expected to be brought down to 2.1 percent this year and 1.7 percent in 1989. Economic growth in 1989 is expected to reach 2.6 percent, higher than previous official predictions of 1.9 percent.

Sept. 23: Trade Deficit Reaches Peak Level

The foreign trade deficit in August reaches 9 billion francs, the highest level since January 1983. A strong push in imports, which rose from 85.8 billion francs in July to 97.7 billion francs in August, accounts for the results, while exports remain stable.

Sept. 29: France Proposes Debt Relief Measures

Addressing the UN General Assembly in New York, President François Mitterrand sketches out a formula for providing new liquidity for middle-income indebted nations. The aid would be in the form of a fund to guarantee interest payments on any commercial loans converted to bonds.

Sept. 29: Policy Paper Outlines '92 Objectives

Prime Minister Michel Rocard's government publishes a major policy paper on expansion in a pan-European direction. The paper, entitled "France, Europe, the 1989-92 Plan," says that French banks, insurance companies and stock markets need to move into a position where they can take advantage of the new competitive situation presented by the Single European Act.

Sept. 30: Credit Card Fees Provoke Government Ire

The decision by the three largest French banks to increase annual charges for bank cards by between 11 and 26 percent provokes an indignant reaction from the Finance Ministry. The state-run Crédit Lyonnais and Banque Nationale de Paris bowed to government pressure and postponed the increases indefinitely pending "consultations" with consumers, while Société Générale resisted.

IN THIS REPORT

- Merger Trend** 14
Even though they are latecomers, French companies are active seekers — and targets — of other concerns.
- Market Activity** 15
Liberalization has opened the door to foreign involvement in the Bourse.
- Venture Capital** 15
The number of French companies engaged in venture capital activities has doubled since 1983.
- Banking Dispute** 15
France's three biggest banks locked horns with the Finance Ministry over a plan to increase the annual charges for bank cards.

tions with their customers underlined the challenges faced by the banks in their relations with the government over the coming months, financial experts say.

As if the losses they suffered on the Matif financial futures market during and after the stock exchange crash were not enough, they now find themselves in limbo after the Socialists rejected plans for further privatization.

Market experts believe that the ability of the large French banks to raise fresh capital will be severely restricted unless some form of backdoor privatization is introduced, perhaps by developing the new voting certificates of investment already in use, or by gradually diluting the government's holding to a minimum of 51 percent.

The banks have let it be known that they have put their old window-

cleaning activities behind them and that they expect no difficulties in meeting the 8 percent capital to assets ratio proposed by the Cooke Committee at Basel.

But the hiatus in the privatization program could limit the big banks' potential to expand further in the pan-European direction that Prime Minister Michel Rocard's government, in a major policy document

published Sept. 29, indicated it wants them to take.

The paper, entitled "France, Europe, the 1989-92 Plan," says that French banks, insurance companies and stock markets need to move into a position where they can take advantage of the new competitive situation presented by the Single European Act.

But a recent study of the top six French banks' capital ratio by Mor-

gan Stanley Co. estimates that at the end of 1987 the six had Cooke Capital ratios ranging from 8.8 percent to as low as 7.3 percent — not much in the way of a cushion.

One revealing study by IBCA Banking Analysis Limited observes that French banks are including 100 percent of their generous sovereign

Continued on page 14

Seeking Foreign Capital

Firms Export Stock To Broaden Base

By Madlyn Rescuer

PARIS — French companies are exporting a new product to the United States these days — their own stock.

Through the use of American Depository Receipts (ADRs), Elf Aquitaine, Rhodolene, and Louis Vuitton Moët Hennessy, among a half dozen others, are adding Americans to their investor base in a bid to tailor a more international image.

There is nothing new about ADRs, which were designed 65 years ago to allow Americans to invest in overseas companies. However, they have traditionally been used by only a handful of multinationals.

Today, however, as European companies jostle themselves to compete in an era of privatizations and corporate takeover battles, with an eye on the unified European market of 1992, they are increasingly considering ADRs as a way to raise capital and broaden their investor base.

"For any major international or super-large domestic company, no country can meet its capital needs," observed William G. Barron, vice president in charge of securities services for Irving Trust Co. in London. "They have to go to international markets."

For most of these companies, a direct listing on an American exchange would be too costly and too complicated.

With ADRs, the procedure is much simpler. Shares of a French company are traded on the Paris Bourse as usual. When a Paris broker receives an American order, it buys the requested shares, then deposits them with its custodian bank and issues ADRs on an American exchange at the current foreign exchange rate, and taking into account changes in the share price in Paris after the order was placed. The shares are then quoted in U.S. dollars and traded normally, with dividends paid in dollars.

In Europe, the reasons for looking at ADRs vary from country to country. British companies are using ADRs to expand their shareholder base. For example, 60 percent of shares in the automaker Jaguar and 40 percent of Glaxo are now held by U.S. investors in the form of ADRs.

SPANISH AND Italian companies, on the other hand, are motivated by a fear of being swallowed up by larger French, British and German companies in the frontiers European market.

Privatization is another reason. The Spanish government's program to sell off half of Repsol, the state-owned oil company, will put \$2.5 billion worth of shares in play. "There's no way the Spanish market can absorb that," noted Mr. Barron.

While France's privatization program has been shelved under the Socialists, there are still plenty of incentives for large companies to sell ADRs. Elf Aquitaine, for example, launched ADRs, sponsored by Irving Trust, in May. About two million shares are currently traded on the OTC.

"We attach great importance to this program because it allows us to have a more direct contact with American investors and to

better inform them," said Anne Viry, a company spokeswoman.

In addition to adding American institutional investors to its base, Elf Aquitaine's ADR program helps reinforce its image as a diversified oil company with activities in chemicals and pharmaceuticals.

In the United States, the spokeswoman said, "We are largely known as a big oil company, even though our other branches such as Sanofi in pharmaceuticals, are becoming more and more important."

Like many other European companies, Elf Aquitaine has actually had ADRs for many years, but these were unsponsored, that is, any bank could issue the shares, with or without the company's permission. But U.S. regulations were changed a few years ago to require companies to designate one issuing bank, one

The tactic helps companies build up a more international image.

of whose functions is to issue dividends in dollars.

As a result, Mr. Barron said, "In the last four or five years there has been a mad dash to convert from unsponsored to sponsored status, especially in the U.K. because of the major privatizations." A few companies in France, such as L'Oréal, are still unsponsored, but they have relatively few shares on the American market.

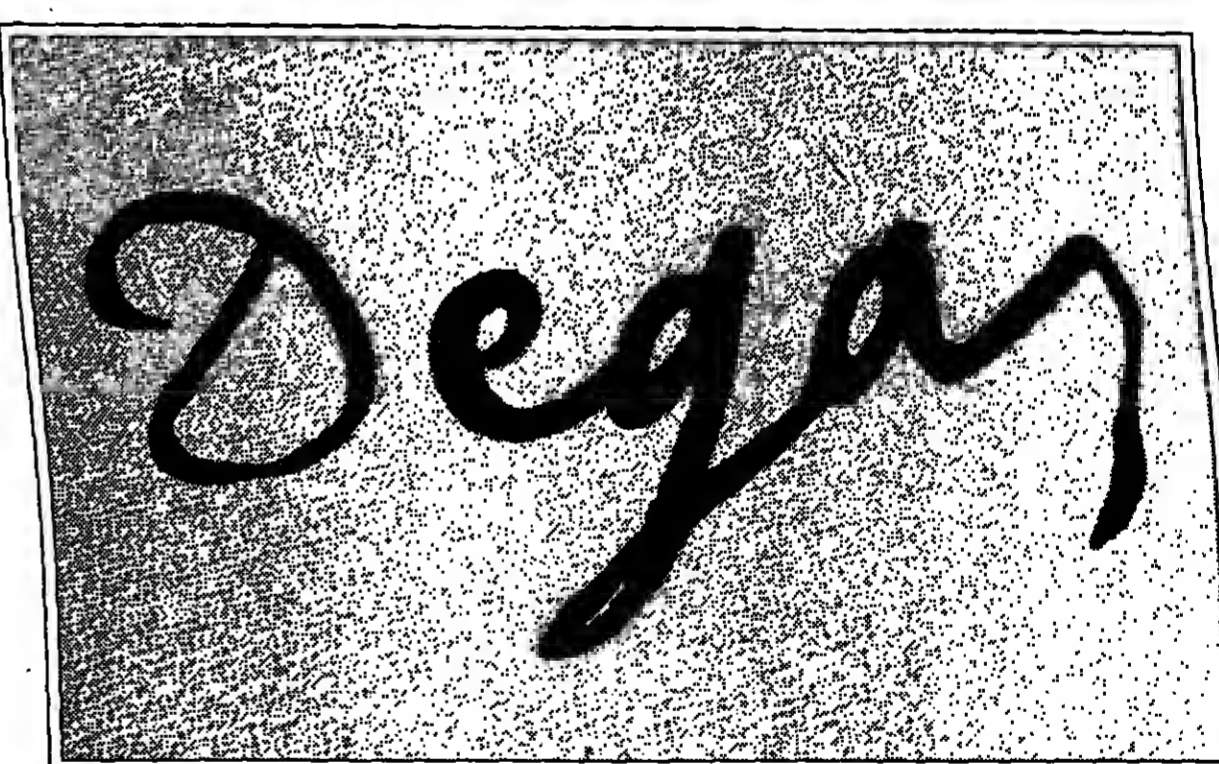
Some European companies have specific reasons for issuing ADRs. Laura Ashley and Benetton use them to facilitate employee bonus programs in company stock.

Other companies view ADRs as a tool in takeover battles in the United States. In the current battle for Fireman's Fund, for instance, BAT could have offered its 35 million shares in ADRs instead of cash if they had been sponsored shares rather than unsponsored.

But most companies are turning to ADRs to raise capital and open a wider distribution of shares, thus developing a more liquid market for the shares. That creates more demand, driving up the share price and making a company a more difficult takeover target.

"European companies are driven by the need to compete on world markets, and they are looking at ADRs as one idea among many others," said Mr. Barron. He added that for Irving Trust, one of the leaders in the field,

Continued on page 14



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Market Activity ■ Banking Relations



Paris Bourse reacts to recent brisk trading in Bouygues' shares.

Paris Bourse Reforms Raise Index

By John Phillips

PARIS — The share price index on the Paris Bourse tumbled by 9.7 percent on Oct. 19, 1987, in the worst one-day fall since the 1981 election of President François Mitterrand...

Not until the end of September did the CAC index recover to its pre-crash level. On Sept. 30, the index surged through the psychological barrier of 380 points to register 380.2...

The new stock exchange chairman, Rigis Rousselet, has been working on a major fund-raising operation to raise a total of 700 million francs from member firms, banks and insurance companies...

Liberalization opened the door to foreign involvement in the Bourse, giving it a more cosmopolitan flavor. For example, J.P. Morgan, the fifth largest U.S. bank, announced plans to take 80 percent of the stockbroker Nivard-Floreny...

President Mitterrand's re-election last May and the formation of a Socialist minority government under Prime Minister Michel Rocard have not had any perceptible adverse effect on foreign investment...

Entrepreneurial Trends

Venture Capital Posts Rapid Gains

By Howard Schissel

PARIS — France only discovered venture capital in the mid-1980s as part of the cultural revolution shaking up its financial markets and practices...



Jean-Bernard Schmidt.

It is estimated that at least a quarter of the 250 companies on this market were financed in one way or another by venture capital. Moreover, 10 venture capital funds are themselves listed.

often beyond Europe, to assure its future expansion. Union d'Etudes et d'Investissements (UI), an affiliate of Crédit Agricole, is investing in foreign-based venture capital funds and concentrating on the international transfer of technology...

Banks Confront Consumer Complaints

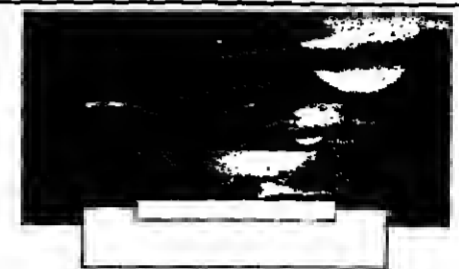
By Jacques Neher

PARIS — "Is Your Banker Robbing You?" inquired the headline on the front of a recent French news weekly, while another magazine blazed, "Banks: The Customer Revolt."

These are not the best of times for the image of banks in the eyes of the French consumer — now in the eyes of the government. After loud consumer protests made the banks back down from a plan to start charging a fee for checking last year, the three biggest banks began locking horns with the Finance Ministry...

The French will write a check to buy a box of matches, said Mr. Furnival. "They write three times the amount of checks, per account holder, as the British." Banks turned to plastic debit cards as a way to wean their customers off the checkbook...

As a result, however, the costs also soared for the Groupement des Cartes Bancaires. This company, jointly owned by the banks to serve as the clearinghouse for all electronic card transactions, said it lost 1 billion francs in 1987.



COMMUNICATING FOR THE FUTURE

CNT The Caisse Nationale des Télécommunications, the French State agency, which through its borrowings helps to finance the research and development of France Telecom.

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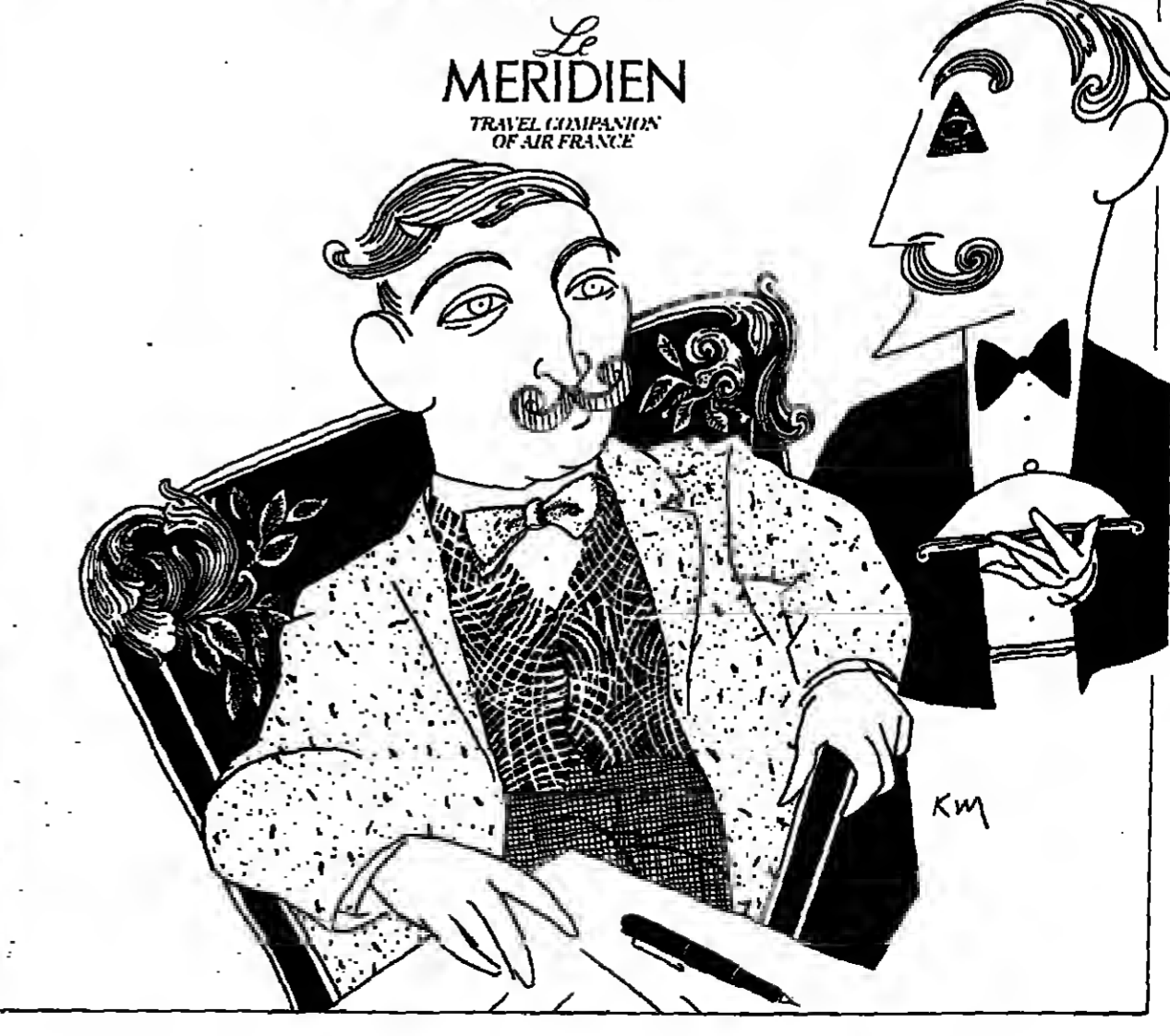


Illustration by Kim Naryanski for Le Meridien.

ONE YEAR LATER: The global financial landscape is fundamentally changed, and Tokyo is an uncomfortable No. 1

Tokyo, Amid Some Concern, Emerges as No. 1

By Patrick L. Smith
International Herald Tribune
TOKYO — As inevitably as the earth's tectonic plates, the cataclysm that rolled through financial markets one year ago has fundamentally reordered the world financial system and thrust Tokyo — once an "exotic," if not secondary market — into the unaccustomed role of global market leader.



Traders and statisticians in Tokyo, which has been thrust to the forefront of world financial centers.

With that new role, however, have come an increasing number of questions about Tokyo's suitability for assuming it. How level a playing field, many critics here are asking, is a markets system where insider trading scandals reach into the offices of the Prime Minister and Finance Minister, where an estimated two-thirds of all issued stock are held offmarket in a web of cozy interlocking relationships, and where the Finance Ministry is both an issuer, and regulator, of stock issues.

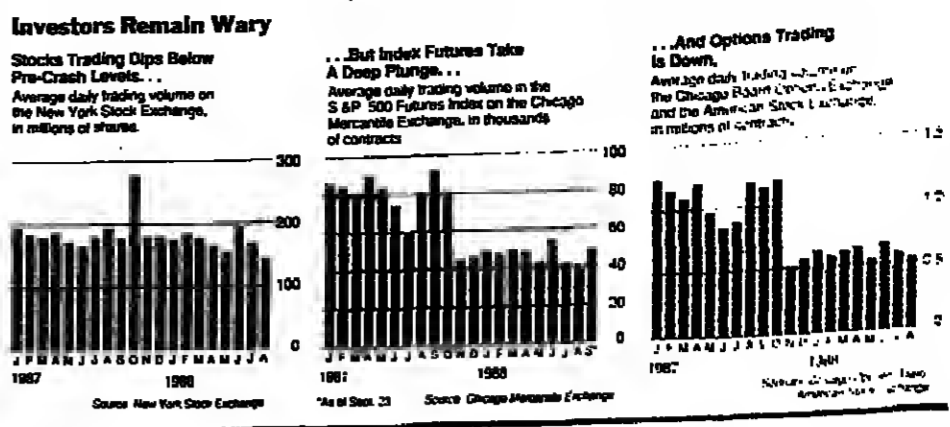
Surpassed its precollapse peak to become the largest capitalized market in the world. At its 1987 peak on Oct. 14, the Nikkei index of 225 stocks stood at 26,646, a gain of 61 percent over the previous 12 months. In valuation terms, the market was trading at a price-to-earnings ratio of 75, almost five times the level of New York.

While this was particularly evident in New York, analysts say, the phenomenon was apparent in Tokyo and other markets, as well. Since the crash, global markets have moved closer to a state of equilibrium, partly because stock prices remain at lower levels and partly because interest-rate yield curves, reflecting increased confidence in the ability of major central banks to control inflation, have flattened worldwide.

More controversial this year has been a series of market scandals involving executives at leading companies such as Nippon Steel Corp., Sanjyo Seki Manufacturing Co. and Nomura Securities Co. In one form or another, most of these are concerned with the use of privileged information in the market, whether it constitutes illegal insider trading or not.

don have long been seen as the downside of doing business here. But such features of the market, while still accepted locally, have come to seem increasingly inappropriate in recent months.

At the same time, there is increasing discomfort among both local and foreign brokers with many of the long-established peculiarities of the Japanese market, including government "guidance."



Caution Among the Major Traders Is Remaking Market Mechanisms

By Anise C. Wallace
New York Times Service
NEW YORK — A year ago, institutional money managers would have snapped up shares of a blue-chip growth company if, in the absence of negative news, it dipped by as much as a quarter of a point.

pressure from their pension fund clients, are paying brokers such skimpy commissions. Their reduced trading and reluctance to take on more stock even at discount prices also make the firms less willing to commit their own capital to facilitate trades.

At the same time, there is increasing discomfort among both local and foreign brokers with many of the long-established peculiarities of the Japanese market, including government "guidance."

Such attitudes, of course, are crucial to the functioning of the New York Stock Exchange, because institutions, which control more than \$1 trillion in assets, account for nearly 75 percent of NYSE trades.

Advertisement for the French Company Handbook 1988. It features a large title, a detailed description of the handbook's content (200 pages of company profiles, financial data, etc.), and a list of French companies included. The list includes major firms like Air France, Peugeot, Renault, and various banks and industrial groups.

At the same time, there is increasing discomfort among both local and foreign brokers with many of the long-established peculiarities of the Japanese market, including government "guidance."

A large table titled 'American Exchange Options' showing various market data, including option prices, call and put volumes, and exchange rates for different currencies. It is organized into several columns and rows, providing a comprehensive overview of the options market.

Advertisement for 'Tough act to follow.' It features a black and white photograph of a bottle of wine or liquor, with the text 'Tough act to follow.' prominently displayed in a stylized font.

MONDAY SPORTS

SIDELINES

Ireland Wins Dunhill Cup Team Golf

ST. ANDREWS, Scotland (AFP) — Ireland won the Dunhill Cup team golf tournament for the first time on Sunday with a victory over third-seeded Australia in the final.

Pavin Has 5-Stroke Lead in Texas Golf

SAN ANTONIO, Texas (AP) — Corey Pavin shot a four-under-par 66, stretching his lead to five strokes after three rounds of the Texas Open Golf Tournament on Saturday.

Final Day at Belmont Is Canceled

NEW YORK (AP) — The closing day of racing at Belmont Park on Monday has been canceled in deference to the funeral of the jockey Michael Venezia and because of a threatened strike by the track's jockeys over demands for pay increases and improved safety standards.

Gerard S. McKeon, president of the New York Racing Association, announced the cancellation of Monday's card Saturday afternoon, shortly after the running of the Champagne Stakes. McKeon said he had already been "bleeding" toward canceling Monday's card because of the funeral of Venezia, 43, a jockey who was killed in an accident during a race Thursday.

Earlier in the day, the jockeys had announced that they would strike the Monday races and set up a picket line unless owners and trainers grant them immediate pay increases. The dispute is over the schedule of fees jockeys receive for finishing second or third in races. In every racing state except New York and Louisiana, riders receive at least 5 percent of the purse money earned by second- and third-place finishers. In New York, unless they negotiate privately with owners and trainers, riders receive a flat fee with a maximum of \$450.

NBA Rockets Sign Top-Pick Chievous

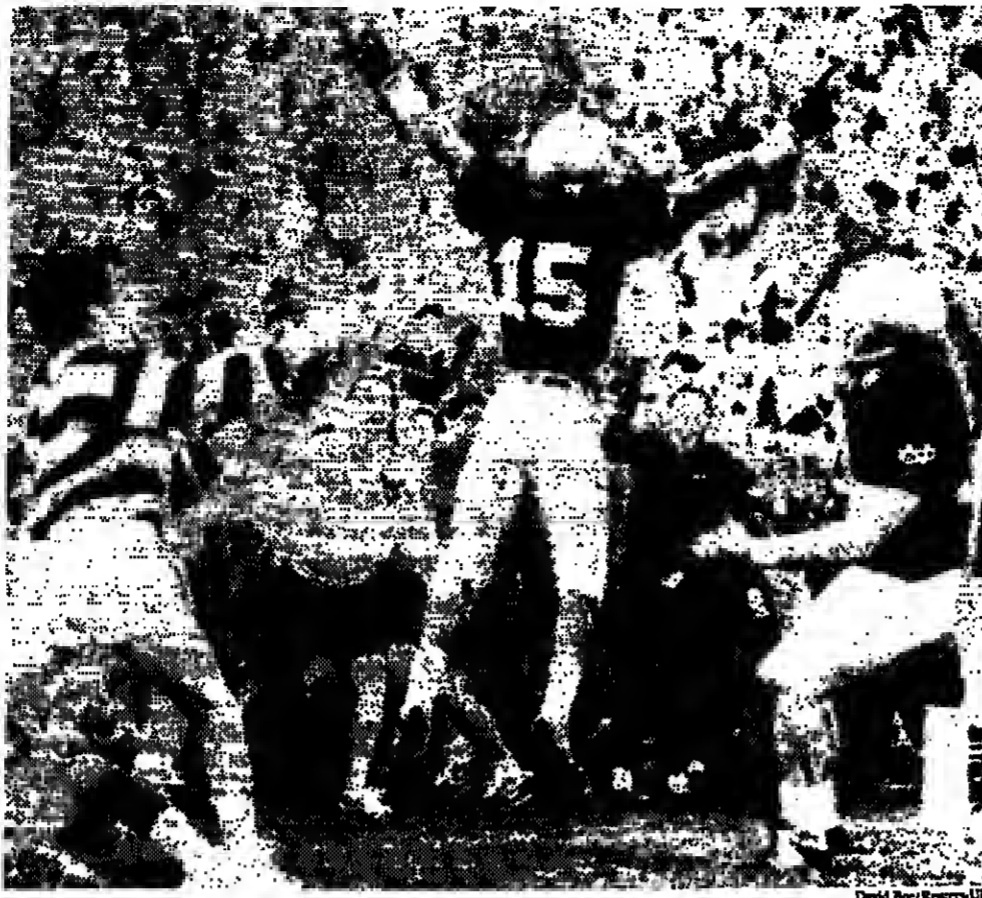
HOUSTON (AP) — The Houston Rockets have signed their first-round draft pick, Derrick Chievous of Missouri, to a three-year contract, ending a weeklong holdout just a day before the National Basketball Association team's exhibition opener in Milwaukee.

Estrada Keeps Jr. Featherweight Title

OSAKA, Japan (AP) — Juan José Estrada of Mexico scored a technical knockout Sunday over Takuya Murguruma, his Japanese challenger, to retain his World Boxing Association junior featherweight title.

For The Record

Mary Stoney of the United States overtook Christina Cahill of Britain with a quarter of a mile (about 400 meters) to go and won the 20-block Mercedes Mile in Manhattan in 4 minutes, 20.03 seconds on Saturday. Steve Scott of the United States won the men's race in 3:53.43. (NYT)



A triumphant Pat Terrell of Notre Dame after blocking Miami's last-minute two-point conversion.

Notre Dame Thwarts Miami, 31-30; UCLA Wins

SOUTH BEND, Indiana — Fourth-ranked Notre Dame got its long-awaited revenge Saturday, defeating No. 1 Miami, 31-30, as Pat Terrell, a free safety who earlier returned an interception 60 yards for a second-period touchdown, broke up a two-point conversion pass with 45 seconds left.

"This was a win by the Notre Dame spirit," Coach Lou Holtz said. "It was a win by the spirit of a group of guys who just refused to fold and believed. You can't pick out a hero. Notre Dame was the hero today."

Notre Dame had been waiting three years to avenge a 58-7 loss to Miami in Gerry Faust's final game as coach. The Irish lost a rematch last season, 24-0.

Notre Dame broke a 21-21 tie when Pat Ellers, a wingback, ran two yards for a third-quarter touchdown, the first of his career, two plays after the Irish turned back a fake punt.

Reggie Ho's 27-yard field goal late in the third period made it 31-21 and Notre Dame survived three Miami scoring threats in the final three minutes. "It should not have come down to a two-point conversion," said Coach Jimmy Johnson of Miami.

Richmond Beats BU in London

LONDON — Quarterback Austin Neuhoff smacked it from one yard out with a minute and a half remaining to give Richmond a 20-17 victory over Boston University here on Sunday in the first regular-season college football game ever played in Europe.

Richmond recovered a fumble at the Terriers' 14-yard line with 3:25 remaining to set up the winning touchdown. In all, the Terriers turned the ball over six times, twice in the final four minutes.

Although it was filled with mistakes and penalties, the Yankee Conference game appeared to be a successful debut for about 2,500 spectators who sat, through chill and a raw mist at the Crystal Palace National Sports Centre, Britain's leading track and field stadium.

Last week, the Lions did not turn the ball over in a game for the first time in 16 years. Saturday, they fumbled five times and were called for repeated holding penalties. Yale, without a victory in four games this season and outscored by its last three opponents by a total of 90 points, got splendid second-half running from Buddy Zachery.

Return to Losing Ways

The goalposts remained upright. Players shook hands politely and left the field. Columbia had lost. Normally had returned.

The Lions, who ended five years of misery last week with a 16-13 victory over Princeton — their first triumph in 45 games — reverted to losing Saturday, this time to Yale, 24-10. The New York Times reported from New Haven, Connecticut.

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COLLEGE FOOTBALL

whose Hurricanes had seven turnovers. "There is no way we could have made as many mistakes as we did and won the game."

Miami's loss was its first in 36 regular-season games.

UCLA 38, California 21: Troy Aikman threw two touchdowns passes and ran for a third score, helping the No. 2 Bruins improve to 6-0 overall and 3-0 in the Pacific 10.

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ACROSS

- 1 Campus buildings
6 — Hart
10 Detect
14 Oil; Comb. form
15 Presage
16 Weighty book
17 Neighbor in "I Love Lucy"
18 Hindu woman's garment
19 Comedian King
20 Sarcastic term for a household head
23 Adriatic, a.g.
24 Pouch
25 Asner and Sullivan
28 Skin layer
31 Run away to be married
36 Senator from Kan.
38 "Norma"
39 Coral islands
40 Impending evil or danger
43 Whole
44 "The Greatest"
45 Crack in flesh
46 Rabies
47 Luges
48 Twilight time, to Tennyson
49 Corpulent
50 "My Gal"
54 Visionary project
62 Taxi rider
63 Domesticated
64 Chemical combining form
65 Ager
66 Cry of sorrow
67 Acting parts
68 Porusa
69 Doctrines
70 Vase handles
DOWN
1 End piece of a loaf
2 Lowest female voice
3 A memorable Bert
4 City on the Aire
5 Perfumed alone
6 Part of M.V.P.
7 Baby's nurse, in China
8 Singer Brewer
9 Life; soul
10 Getz or Kenton
11 Kind of shirt
12 General Bradley
18 Half a score
21 Denmark's islands
22 Vinegar Comb. form
23 Old car
26 Soft and luffy
27 Narrow openings
29 U.K. arman
30 Olympic award
32 Tuft of hair
33 Kukla, Fran and
34 U.S.N.A. newcomer
35 W. German city
37 Greek goddess of strife
39 Surrounded by
41 Preliminary akatch
42 Cakes and
47 Purloins
48 African deer
51 Central Asian range
53 Citrus fruit
54 Cloak
55 Region
56 Transmil
57 Moslem priest
65 "The Unouchables" man
69 Good for what you
60 Concept
61 Kennedy matriarch
62 Pro

Crossword puzzle grid with clues and answers.

WEATHER

Table with weather forecasts for Europe, Asia, North America, Africa, Latin America, and Oceania.

DENNIS THE MENACE



JUMBLE

A word game section with a grid and clues for words like ALTEM, BUTIC, WHADOS, KRILLE.

PEANUTS



BLONDIE



BETLE BAILEY



DOONESBURY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



Solution to Friday's Puzzle

A grid containing the solution to a word puzzle from Friday's issue.

MONDAY SPORTS

Gibson Homer Wins Opener for Dodgers



By Joseph Durso
New York Times Service

LOS ANGELES—Kirk Gibson sat in the trainer's room in Dodger Stadium and watched his teammates on the Los Angeles Dodgers struggle to cope with the awesome power of the Oakland Athletics.

flashed even more power; a grand slam home run that Jose Canseco hit off Tim Lincecum.

By the home half of the ninth, the Dodgers were one run behind. Then Eckerlesley arrived, and he needed only three outs to keep La-

sorda's magic from making any last-minute appearance. In the trainer's room, the missing man began to spin his fantasy. He had already received a cortisone shot from Dr. Frank Jobe, the Dodgers' physician, but nobody knew when he would play again.

Los Angeles Bullpen Was the Key to Victory

By Malcolm Moran
New York Times Service

LOS ANGELES—Their work was going to be a footnote. In a year of surprises, the bullpen of the Los Angeles Dodgers has often kept the team close enough for late-inning drama.

Lasorda sent up Mike Davis to pinch-hit for Alfredo Griffin, and he sent Dave Anderson out to the on-deck circle as the ostensible hitter for the pitcher.

Davis worked Eckerlesley for a walk, Anderson retreated and out came Gibson to thunderous cheers. "He was the secret weapon," Hatcher said. "I didn't even know he was on the bench. It's like believing something, and seeing it happen."

Gibson got the count to three balls and two strikes. Davis stole second, and Gibson was standing at the plate thinking: "A base hit will bring him in."

World Series

By Joseph Durso
New York Times Service

LOS ANGELES—Kirk Gibson sat in the trainer's room in Dodger Stadium and watched his teammates on the Los Angeles Dodgers struggle to cope with the awesome power of the Oakland Athletics.



Kirk Gibson, hugged by Manager Tommy Lasorda, is surrounded by his teammates at home plate.

Dennis Eckerlesley delivering what proved to be the last pitch of the game to Kirk Gibson, with two out in the bottom of the ninth.

Tyson Counters With Divorce Action

The Associated Press

TRENTON, New Jersey—Mike Tyson, the heavyweight boxing champion, says in divorce papers that he was "the hapless victim of intentional fraud" and that his wife of eight months, Robin Givens, married him for money and fame.



Givens and Tyson in September at Red Square in Moscow.

As far as money goes, she said, "money will come and go. But no one will ever love me the way Michael loves, I'm sure, or vice versa. So... for people to bring it down to money is sad."

SCOREBOARD

BASEBALL

Table with columns for Game, Team 1, Team 2, Score, and other baseball statistics.

FOOTBALL

Table with columns for Game, Team 1, Team 2, Score, and other football statistics.

HOCKEY

Table with columns for Game, Team 1, Team 2, Score, and other hockey statistics.

World Series

Table showing scores for the World Series games between Oakland and Los Angeles.

Tennis

Table listing tennis tournament results and schedules.

Soccer

Table listing soccer league results and schedules.

GOLF

Table listing golf tournament results and schedules.

National Hockey League Standings

Table showing NHL standings for various conferences and divisions.

TRANSITION

BASEBALL: Inactive left-handed Albert Belle, wide receiver, activated Phil Snow, wide receiver.

U.S. Athletes Defy Ban In South African Meets

PRETORIA—Thirteen U.S. track and field athletes, risking life suspensions, are competing in South Africa's first international track meets in 12 years.

Paralympic Games Open

Kang Duk Chum of South Korea, a volleyball player, running the torch into Seoul's Olympic Stadium during opening ceremonies of the Paralympic Games on Saturday.



Paralympic Games Open

